

## Pact with unions clears the way for completion of 'Times' purchase

Mr Rupert Murdoch yesterday completed negotiations with the unions on operating arrangements on "The Times", "The Sunday Times" and the three supplements, and his purchase of Times Newspapers Ltd is expected to be

completed today. Although 563 full-time jobs are to go, union leaders said they were satisfied with the outcome. Mr Murdoch said: "I believe we now have a basis on which to go forward and ensure the continuance of these newspapers."

## Mr Murdoch sees basis to ensure the future of group

By Paul Routledge and Donald Macintyre

Mr Rupert Murdoch's purchase of Times Newspapers Ltd is expected to be completed today after the conclusion of agreements with the newspaper unions on operating arrangements for the five titles.

A formal announcement to that effect was made last night at the end of three weeks of hard bargaining that yielded a reduction of 563 full-time jobs and an additional 10 shifts in a demanning exercise designed to put the company on to a sound financial footing.

The last hurdle to be cleared was the future production of the educational, higher education and literary supplements. They will be printed outside London, and six companies have been invited to tender for the contract.

Mr Murdoch announced the successful conclusion to his negotiations with the unions at a brief but hectic press conference in the Times Newspapers' board room in New Printing House Square. He said: "I believe we now have a basis on which to go forward and ensure the continuance of these newspapers." Paying tribute to the role played by the unions, he added: "We expect to make them greater and better papers in the future."

Both sides made concessions in the talks, conducted against a three-week deadline set by the outgoing owners, Thomson British Holdings. Detailed agreement has yet to be reached with the unions on manning in the night edition area, but otherwise the two sides are fully in accord on wages, disputes procedure and staffing arrangements.

A new board for Times Newspapers Ltd has already been chosen. Mr Murdoch is chairman, and the managing director from March 1 will be Mr Gerald Long, a chief executive with Reuters's news agency. Mr John Collier and Mr William O'Neill become joint general managers. Mr Michael Ruda is director (advertising) and Mr Kenneth Beattie is director (circulation).

Mr William Rees-Mogg, editor of The Times, and Mr Harold Evans, editor of The Sunday Times, remain members of the board. All other existing directors appointed in the Thomson ownership period have resigned at their own request.

Printing union leaders last night said they were satisfied with the outcome, even though about 20 per cent of the 4,000-plus jobs at Times Newspapers were being surrendered under a voluntary redundancy scheme.



Mr Rupert Murdoch flanked by Mr. William O'Neill (left, holding up the agreements) and Mr. John Collier after the successful conclusion of yesterday's negotiations.

Mr Leslie Dixon, president of the National Graphical Association, whose members have accepted a shift to electronic composition with more than a 40 per cent job saving, said: "It has been a hard battle, but it has led to a satisfactory conclusion. I am confident that the agreement we have made will provide for viable newspapers under the ownership of Mr Murdoch."

The agreement on new printing technology was the same one that had been on offer to the Thomson Organisation. "Murdoch had the common sense to accept it. They did not."

He hoped that the new agreement would make money for the titles "so that I can come and ask for more money." But Mr Murdoch was unequivocal in his response to a question about the risk of renewed industrial action in Gray's Inn Road. If that happened, "I will close the place down."

A new editor for The Times is to be appointed in about three weeks to succeed Mr Rees-Mogg, who had signified his intention to leave. There was a "long list" rather than a short one, Mr Murdoch said. The style of the paper would then be a matter for the new editor.

At a later meeting with fathers of the newspaper union chapels Mr Murdoch said that his News International company was taking over the company after it had made a loss of £15m last year. He declined to say how much he had paid for Times Newspapers, but promised that the figure would be revealed today, when legal arrangements for the transfer of ownership had been completed.

He said that people at Times Newspapers had had an unhappy time in recent years because of "the closure" and one thing and another. There were bad relations and there were faults on both sides. The staff were "ready for a new change and a new beginning."

The editorial safeguards built into the takeover were referred to by Mr Kenneth Ashton, general secretary of the National Union of Journalists. The union would be watching to ensure that those safeguards were observed.

Although no official breakdown of the job losses was given yesterday it has been possible to build up an approximate picture of some departments' share of the cuts. They include unfilled vacancies as well as actual employees who will leave under the voluntary redundancy programme agreed jointly with the unions.

In the Times machine room, which had been one of the main stumbling blocks in talks until yesterday, the question whether the number of presses used nightly should be reduced from four to three has been deferred for further discussion. Although NGA negotiators had provisionally accepted the reduction by one press, the News International company insisted on the retention of up to 21 jobs which it would imply.

NGA composing room staff will be reduced by 186 from 370 to allow for the introduction of new technology under a plan broadly similar to that already agreed with Times Newspapers. The recent negotiations, but during the coming year, the plan would imply.

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## Full Cabinet economic policy review sought

By Fred Emery

A review by the full Cabinet of the Government's economic policy is being sought in the next few weeks, according to sources close to the Treasury.

The review would be a major exercise in which the full Cabinet would consider the Government's economic policy for the next two years. It would be a major exercise in which the full Cabinet would consider the Government's economic policy for the next two years.

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## EEC urged to stop all steel aid

By Paul Routledge

Britain will propose a strict timetable for the elimination of state subsidies to the European steel industry at a ministerial meeting in Brussels next month. Ministers are seeking the removal of all operating subsidies by the end of 1984. The Government will argue that its plans for the United Kingdom steel industry, both public and private, are in line with EEC Commission objectives. Whitehall is confident that its proposals will commend themselves to the Bonn Government and Germany's steel industry in particular.



Party heads rift: Herr Willy Brandt, chairman of West Germany's Social Democratic Party (SPD).

## Poles asked for rest from strikes

By Paul Routledge

The new Polish Prime Minister has asked Solidarity, the independent trade union grouping, for a three-month respite from strikes. He said the Government would like to see the end of the strikes and would set up a permanent commission to hold talks with the union.

## Corsica blasted by bomb attacks

By Paul Routledge

Forty-six bomb blasts erupted across Corsica yesterday, a group of militants to prison sentences. No one was hurt in the explosions but extensive damage was caused to public buildings, shops, and the property of people from the French mainland.

## Greek royalists welcome King

By Paul Routledge

King Constantine returned to Greece for the first time in 13 years to attend the funeral of his mother, Queen Frederika. Enthusiastic royalists seized the coffin during the burial service and carried the former King on their shoulders chanting anti-government slogans.

## Surrealists to be auctioned

By Paul Routledge

The finest group of Surrealist paintings ever likely to be sold at one time will be offered at auction in London at the end of March. The 28 paintings were collected by Mr Edward James, the friend and patron of the Surrealists.

## Talbot workers to fight closure

By Paul Routledge

Workers at the Talbot car plant at Linwood, Scotland, are to mount a campaign to try to reverse the decision to close the factory.

## 12 new charges of murder against lorry driver

By Paul Routledge

Peter Sutcliffe, who is accused of murdering Miss Jacqueline Hill, a student aged 20, in Leeds, will face a further 12 charges of murder, it was announced yesterday.

## Unofficial action likely in militant coalfields

By Paul Routledge

Unofficial strikes are expected to break out in the militant coalfields next week as the miners square up for a full-scale conflict with the Government over coal industry closures. Serious political overtones have already emerged.

In an unprecedented show of unity, the executive of the National Union of Mineworkers yesterday voted 25 to nil for a hardline policy that will take the industry into a national strike if the Cabinet refuses to grant huge subsidies in talks over the next few days.

Shortly after that decision was taken, a more than 200 pickets gathered in a rally in Euston Road, London, were told by Mr Arthur Scargill, left-wing leader of the Yorkshire miners, that a strike against the coal board plan to axe up to 30,000 jobs could "bring about the end of the world."

Mr Scargill said the conditions for an early general election and get rid of this Tory Government once and for all.

His point was taken up by Mr Michael McGahey, Communist Party leader of the Yorkshire miners, who said: "I want the Tories to be the anvil and I will be a good blacksmith."

He asked union activists to go out and force local links with steelworkers and railwaymen to make a disruptive reality of the "triple alliance" recently set up to form a common defence for jobs in those industries.

The mass meeting took substantially further forward the policy laid down by the miners' leaders, but the line taken yesterday by moderates and militants alike suggests that the industry is drifting rapidly towards a national shutdown.

The union executive expressed itself "totally opposed" to coal board plans to shut between 20 and 30 pits, and spoke of the danger that industrial action will start in some areas.

If any attempt is made to put these plans into effect either in individual areas or collectively, the national executive committee will recommend through a ballot vote that the members take national strike action.

## Defeat for Government on 'tapping'

By Bill Johnston

The Government failed yesterday to prevent a Labour-sponsored clause on telephone tapping from being inserted in the Communications Bill being reviewed by a Commons committee.

Mr John Goss, Conservative MP for Barnet, Hendon North, supported seven Labour members of the Liberal who voted for the clause, which led to a defeat for the Government by one vote.

Mr Goss remained unconvinced about government policy on tapping, despite the personal intervention of Mr William Whitelaw, the Home Secretary, on Wednesday in an attempt to dissuade him.

Mr Kenneth Baker, Minister for Industry and Technology, who is steering the Bill through the Commons, declared the Government's clear opposition to the insertion of the clause.

The clause was moved by Mr John Goss, Labour MP for Barnet, Hendon North, who said it was necessary to ensure that the security forces were not abused.

In response to questions about press reports suggesting telephone tapping at the Conservative Home Office, Mr Goss would neither confirm nor deny their validity.

Mr Goss made clear that he was unhappy about instances of telephone tapping for state security being discussed on the floor of the House of Commons. He intends to table an amendment to prevent that happening.

Ministers' concern: Ministers were last night expressing serious concern at the Labour-sponsored clause, and are expected to introduce an amendment when the Bill returns to the Commons at the report stage.

## Heavy casualties in Zimbabwe as rival troops clash

By Stephen Taylor

Bulawayo, Zimbabwe, Feb. 12

Bulawayo became a war zone today in what has probably been the new nation's bloodiest day since independence.

Mr Robert Mugabe, the Prime Minister, ordered the Rhodesian army to attack the town of Bulawayo, which is held by the Zimbabwean army.

It was reported that, however, no air strikes had been made.

The Zimra troops apparently set out for Bulawayo from two directions—one from the Gwari river, camp to the north and the other from a temporary military camp at the town of Eselsvale to the south.

Certainly one, and possibly both groups were stopped with heavy casualties. At least 70 are thought to have been killed in the fighting.

The Zimra troops are thought to have set out for Bulawayo in response to clashes between Rhodesian and Zimra guerrillas that erupted in Eselsvale last night.

Bulawayo was the scene of heavy clashes in November between Zimra elements loyal to Mr Joshua Nkomo, the Minister of Defence, and Rhodesian troops, who support Mr Mugabe. More than 50 people died in the clashes.

The fighting in Bulawayo last night started at about 9 pm when Rhodesian troops, equipped with heavy weapons, including rockets, on a neighbouring camp in the township housing Zimra men.

A company comprising former Rhodesian security troops who have been based in the township as a peace-keeping force, then came under attack and were besieged until this morning when their position was relieved.

After the initial clashes at Eselsvale, an attempt was made to break into the town. Mr Mugabe told Parliament today that "very sinister undertones" were being played.

Early today three personnel carriers and two other vehicles set out containing Zimra men from a temporary military camp in the township. They were about five miles south of the city, they ran into the former Rhodesian unit, which opened fire with rockets.

Later this morning an even larger Zimra group, comprising hundreds of men, set out in 13 vehicles from their camp, about 150 miles to the north-west.

They stopped at Keganur, where a Zimra High Command representative was killed after urging them to turn back. The military column then proceeded.

It appears that at this stage Mr Mugabe decided to send in the Airforce. Meanwhile, fighting raged on at Eselsvale.

Members of 1-1 Battalion, wearing their old Rhodesian insignia, encircled the township, blocking the roads with military vehicles and pointed machine guns at what they believed to be Zimra positions.

Zimra elements had taken to the surrounding bush at about noon, putting a halt to the fighting. The Rhodesian army then moved forward and set out a few easily-packed possessions.

One man said he was leaving because he believed that the fighting would start again in the night.

A white captain of 1-1 Battalion, leaning on his rifle, said he and his men were attempting to ensure that no Zimra men were left in the township.

It is quiet now, but the fighting could start again at any time, the captain said. About 200 men of the former security force battalion, which was sent to Eselsvale, are now being deployed inside Bulawayo.

Although Mr Mugabe told Parliament this afternoon that the Rhodesian army would not move into the township, it was later reported that the column included two army vehicles and it appeared that the Air Force had not gone ahead with the air strike.

The Rhodesian army was reported to have turned back to Eselsvale and the planned air strike had been called off.

A conservative death toll from the violence is 70. Vehicles bringing bodies to a local hospital were being carried away and emergency arrangements were being made.

Bulawayo was a quiet town today. Residents responded to a government call broadcast on radio to stay at home and not use telephones. Shops were closed and streets were deserted.

The violence around Bulawayo's second city has not involved members of integrated army battalions, but it has been a serious setback to the Rhodesian army.

## Coronet and gate for police siege tie motif

By Stewart Tindler

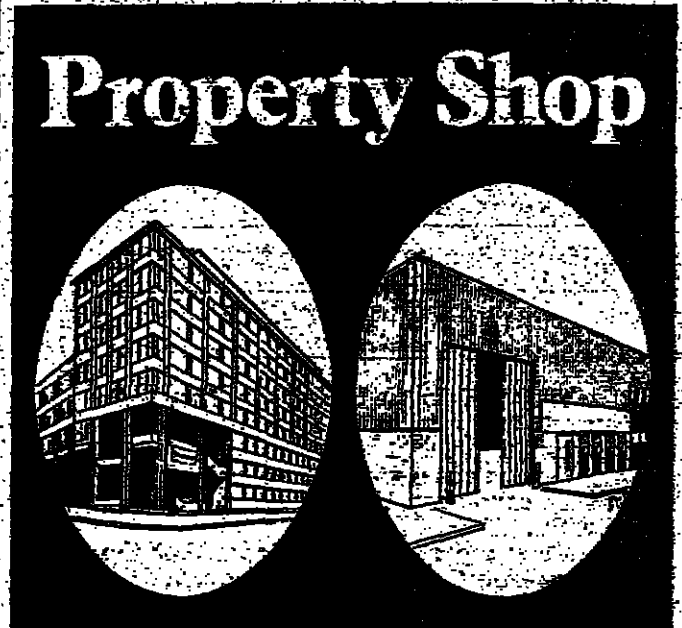
A special tie designed by London policemen to mark their involvement in the Iranian Embassy siege last year, is being sold by the College of Arms. Ties to mark special long or difficult cases are not unusual but few if any of the previous designs have reached the noble corridors of the college.

The tie is designed to suit up the special ingredients of unusual elements of a case. In London they have been designed to mark cases as varied as the hunt for Lord Lucan, the Balcombe Street siege and the escape from prison of George Blake, the Soviet spy.

The latest tie is designed with three sets of stripes. Dark blue represents the Metropolitan Police and light blue denotes the Special Air Service Regiment, which rescued the hostages. In between is a grey stripe meant to signify, with perhaps a hint of humour, the civil servants at the Home Office responsible for the rescue operation.

It was the emblem on the tie that brought in the College of Arms experts. The difficulty before Mr John Dellow, deputy assistant commissioner in charge of police operations at the siege, was how to sum up the emergency and the siege in a simple motif.

The emblem is in Prince's Case, South Kensington. The tie is made of silk. The tie is made of silk. The tie is made of silk.



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End of  
dream  
says Lord  
Thomson

From Michael Leeson  
New York, Feb 12

Lord Thomson of  
Farnham, one of the  
most powerful members of  
the Conservative Party,  
has said that the final  
stage of the Conservative  
Party's campaign for  
election is now under way.

He said that the party  
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Lovely Emily, aged 70, hails from Crewe. Her main occupation is cruising along in a permanent state of ecstasy.

She's a good 3 inches tall and her favourite hobby is being seen around the very best places.

Emily's ambition is to meet all the top people, although according to her agent, Dorland Advertising, she has already done so!

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## HOME NEWS

## Efficiency the goal for improved Civil Service Department

By Peter Hennessy  
The Prime Minister spelled out her prescription yesterday for a new, improved Civil Service Department after her announcement in the Commons last month that the department had been reorganized and would be merged with the Treasury.

In a White Paper published in response to a report from the Commons Select Committee on the Treasury and the Civil Service about the future of the Civil Service Department, the Government says its priority is the "improvement of efficiency, particularly in the direct control of resources". The department would be reorganized to reflect that aim.

The document also discloses the preparation of a new scheme, known as "succession planning", designed to ensure that today's accountants of the highest posts in the Civil Service will be replaced by men and women chosen for their ability to control manpower and money.

The Government accepts the select committee's view that sustained ministerial interest and direction are needed if the department is to avoid past disappointments, and recognizes that it is "an essential instrument" in the achievement of smaller and more efficient Civil Service.

Physical reorganization has been kept to a minimum. About twenty people will be transferred when the department's

accountancy, finance and audit division moves into the Treasury.

Closer links between the department, the Treasury and the work of Sir Derek Rayner, joint managing director of Marks & Spencer and the Prime Minister's adviser on the elimination of waste, are to be achieved by a new body, under Treasury and not Civil Service Department chairmanship.

It has been charged with securing: (1) better planning and control of public spending; (2) further development of financial responsibility and accountability by line managers in the Civil Service; (3) better matching of financial information produced for the public expenditure survey and estimates with that required for departmental management; and (4) a strengthening of internal audit inside departments.

The new body, whose exact composition is not disclosed in the White Paper, will be known as the Financial Management Co-ordination Group. Its chairman will be Mr Geoffrey Limley, a Treasury deputy secretary.

Sitting with him will be Mr Kenneth Sharp, head of the Government Accountancy Service, Mr Clive Priestley, an under-secretary from Sir Derek's staff in the Cabinet Office, and Mr Jonathan Clarkham.

The Future of the Civil Service Department, Government Observations on the First Report from the Treasury and Civil Service Committee, Session 1980-81, Cm 8170, Stationery Office, £1.40.

## Schools may get EEC cheap milk this year

By Hugh Clayton

Agriculture Correspondent

EEC price milk financed by an EEC subsidy should be available this year to British schools. Dr Mary Abbott, secretary of the milk committee of the union, said after a meeting yesterday of the council of the National Farmers' Union that the milk scheme, originally due to start in the summer term, might have to wait until the autumn because of administrative complications.

Farmers and dairymen want the subsidized scheme, worth £25m a year, to start as soon as possible to replace school milk sales lost since the obligation for local authorities to provide free milk was reduced by the Education Act, 1980.

Ministers hope to announce in the spring that the scheme has been cleared in Brussels and is acceptable to British education authorities.

This year is the tenth anniversary of the cuts in free school milk made by Mrs Margaret Thatcher as Secretary of State for Education and Science. To qualify for the EEC subsidy Britain has to agree to pay from a year towards it and to channel it through the common agricultural policy instead of the rate support grant.

Farmers and dairymen believe a rise in sales through schools offers the main hope in stemming the decline in milk consumption. Last year nine English counties stopped distributing free school milk.



Honey and son, the first Australian Cattle Dogs to appear in the Crufts dog show for 20 years.

## Injunction raised cost of new building by £1.2m, court told

By Richard Ford

The £6m cost of building an Islamic cultural centre opposite the Victoria and Albert Museum, in London, would rise by £1,200,000 because of a court injunction granted to a local resident, Miss Diane Hart, the court was told yesterday.

Work on the building, being erected by the Aga Khan Foundation, a registered charity, would be extended by nine months because of the restrictions imposed on development operations, it was added.

Miss Hart, of Thurlow Crescent, South Kensington, opposed an appeal by the foundation against the injunction granted to her after a hearing in chambers last month. Mr Donald Keating, QC, for the foundation, said the injunction restricted the hours contractors can work at the site, in Cromwell Gardens, the time loading and unloading can take place and the use of cement mixers.

He added that in an affidavit Miss Hart said that the builders had given her £500 as she had to get away from the disturbance, but that she eventually sought help in hospital after taking pills and drinking. The hearing continues today.

They said that child benefits needed to be raised both to help families and to reduce the poverty trap. Evidence produced at the meeting by Miss Ruth Lister, director of the Child Poverty Action Group, indicated that a family with two children were better off earning £55 a week rather than £75. The MPs said after the meeting that they had found Sir Geoffrey "receptive".

## Tory MPs press for child benefit increase

By Pat Healy

Social Services Correspondent

The Government is being pressed from its own back benches to raise child benefits. A deputation of Conservative MPs and a peeress has met Sir Geoffrey Howe, Chancellor of the Exchequer, to urge the case for increasing child benefits in the Budget next month.

They want an increase of 95p a week, raising the benefit to £5.70 a child, to restore its value to the level in April, 1979. That would make good the fall in value of child benefits when they were raised last November to £4.75.

Conservative MPs warned ministers last year that they would insist on that shortfall being made good, and rejected as insufficient ministerial statements that the value of child benefits would be maintained, subject to economic circumstances. That view was emphasized by the deputation, led by Mr Thomas Benyon, Conservative MP for Abingdon.

## Arts Council defends grants action

By Our Arts Reporter

Mr Kenneth Robinson, chairman of the Arts Council, said yesterday that having taken a decision to be more discriminating over the award of grants, he would be surprised if the council totally "reversed engines" next year and made only straight, across-the-board increases.

Both he and Sir Roy Shaw, the council's secretary-general, were critical of the way the recent allocation of grants, including the withdrawal of grants from 41 organizations, had been received. Mr Robinson said there had been "a good deal of misunderstanding and some misrepresentation".

Sir Roy said: "We did not withhold money, we redistributed it. Among the things most widely misunderstood was the alleged precipitousness of the decision to withdraw grants and the fact that there is no appeal. We had to act quickly in order not to keep our clients in suspense."

In the case of one big company there had been many letters about its quality of work over a period of two years, yet it had expressed surprise.

"It is said the Arts Council is being very arrogant and that there should be an appeal. But this would be true only if we had removed money. What happened is that it was withdrawn from 41 and redistributed to 46 others."

The council would be anxious, he said, to find some way to give sufficient warnings to companies.

## Foot attack on Duke over speech

By Our Parliamentary Correspondent

Mrs Margaret Thatcher was yesterday drawn into exchanges between Labour and Conservative MPs over the propriety of the speech on Monday by the Duke of Edinburgh on the need for the United Kingdom to possess a nuclear deterrent.

Mr Michael Hamilton, Conservative MP for Salisbury, asked the Prime Minister at her question time in the Commons whether she would send a message out of goodwill and congratulations to the Duke for his outstanding speech. He pointed out that Mr Michael Foot, Leader of the Opposition, had recently sent a message to the Salisbury branch of the Campaign for Nuclear Disarmament.

Mrs Thatcher replied that she was sure there were the same thoughts in elevated situations of those of the Government. Any government wishing to defend its people must see that it had sufficient nuclear weapons to deter an aggressor.

There were Conservative protests as Mr Foot remarked that the late Lord Mountbatten of Burma (in whose memory the Duke gave the lecture at Cambridge) perhaps knew more about war and nuclear weapons than even the Duke of Edinburgh.

Mrs Thatcher replied that Mountbatten was never a unilateralist, nor would he ever have been, because he had too much regard for the liberties of this country.

## Club doorman is cleared of disco killing

Henry Doneghey, a club doorman, was cleared by a jury at the Central Criminal Court yesterday of the manslaughter of a man while evicting him from a disco club.

The victim, Mr John Sands, aged 30, a painter, of Cranworth Gardens, Stockwell, South London, had been trying to let friends into the club, the Music Machine, in Camden High Street, through an exit door without paying. Mr Michael Coombe, for the prosecution, said.

Mr Doneghey, aged 39, of Daffon Road, Kentish Town, was removing Mr Sands when he fell to the floor. He died despite resuscitation efforts by club staff.

## Former casino director on 40 charges

A former assistant managing director of Coral Casinos, who was arrested by FBI agents in San Francisco last month, at Marlborough Street Magistrates' Court, yesterday faced 40 charges of theft from gaming clubs, forgery, false accounting and criminal deception involving about £584,000.

Alan George Watts, aged 40, was remanded on bail of £20,000 until March 12. A warrant had been issued at the court last August for his extradition from the United States.

Mr Watts, of no fixed address, waived extradition rights and returned to England voluntarily after his arrest on a warrant in the United States on January 27.

## 'Missing link' attacked as new M20 section opens

By Peter Waymark

Motorway Correspondent

A new section of the M20 mid-Kent motorway which will link London with the Channel ports opens today amid controversy over a 15-mile missing link between Maidstone and Ashford.

Mr Anthony Hart, chairman of Kent County Council planning and transportation committee, has described the government's decision to suspend work on that stretch as ludicrous. There has also been criticism from industry and MPs.

Mr Hart said yesterday that the Government had got its

priorities wrong, extending the motorway system to declining ports like Hull, Grimsby and Immingham, while ignoring Dover, where traffic had more than doubled since 1970.

He is performing the opening ceremony today on the new 4.6-mile section of the M20 from West Kingsdown to Addington, which completes an unbroken 21-mile stretch from Swanley, on the edge of London, to south of Maidstone.

Mr Kenneth Clarke, Parliamentary Under-Secretary for Transport, said: "The Government firmly intends that the M20 gap will be closed. It is only a question of timing."

## Attempt to repeal 1824 law

By Our Social Services Correspondent

An all-party group of MPs is to attempt to repeal vagrancy offences dating back to 1824. They will introduce a 10-minute Bill on February 4 and seek to amend the Criminal Attempts Bill which will outlaw the "sus" law.

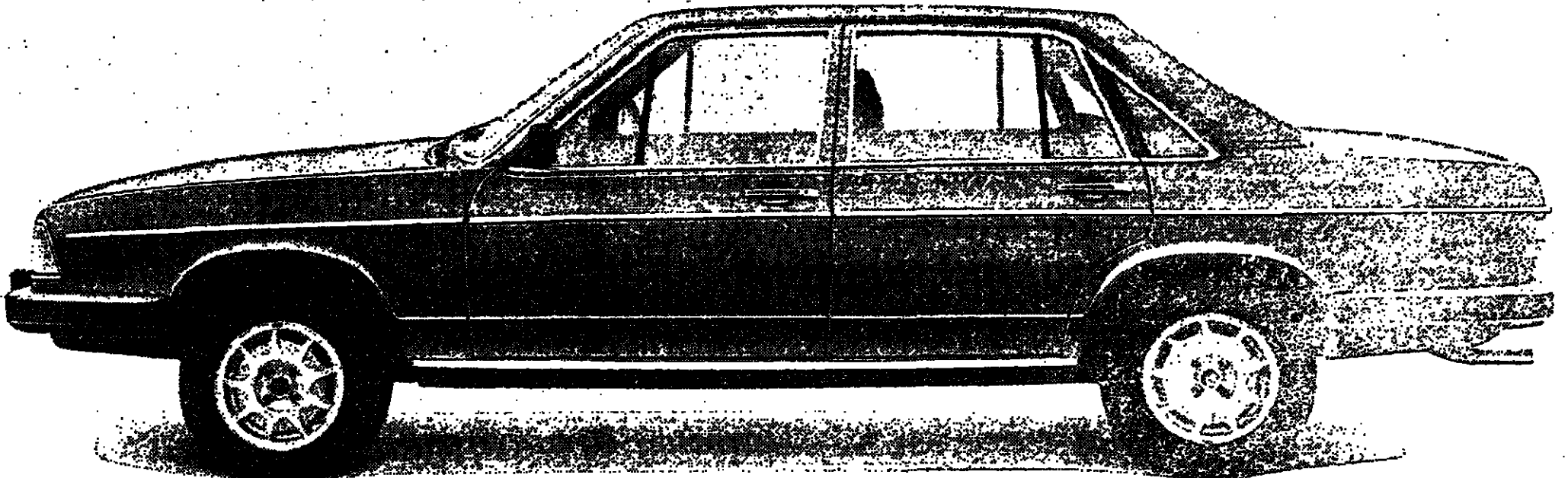
Mr Albert Stallard, Labour MP for Camden, St Pancras, North, who will introduce the new Bill, says in a statement

today that the punitive legislation of 1824 should not be the answer to unemployment and homelessness in 1981.

"It is utterly wrong that a 150-year-old law can still be used to brand as criminals people who only need a place to sleep or are poor and destitute."

The offences cover sleeping rough, begging and "being found on enclosed premises". In 1979, 268 people were imprisoned under the law.

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Model range prices from	£6,186	£6,656	£6,179	£8,700	£6,179
Av. interior width (in.)	57.5	50	55	52	53
Front headroom (in.)	39	37	35	35	38
Rear headroom (in.)	34	34	34	34	32
Boot (cu.ft.)	22.7	21.5	14.3	14.7	16.8

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## THE ARTS

## Cassavetes's caustic view of life in the States

Gloria (AA)  
Columbia  
Prostitute (X)  
Screen on the Green/  
Cinecenta  
Little Lord Fauntleroy  
(U)  
Classic, Haymarket  
More American  
Graffiti (AA)  
Plaza  
The Cat and the  
Canary (AA)  
Odeon, Kensington  
The Devil and  
Max Devlin (A)  
Rialto

The Ninth  
Configuration (X)  
Odeon  
St. Martin's Lane

In Italian-American family is about to be murdered. At the moment the six-year-old son is headed to Gloria, a reluctant baby-sitter. When the family is shot dead, the Gloria one hunting for the boy, against her better judgment, Gloria revives her maternal feelings and goes on the run. This is the cure of Gloria, a thriller too engrossing to watch in comfort and a film which moves the anti-commercial directional career of John Cassavetes away from the fording confusion of his last, *The Killing of a Chinese Bookie*. In Gloria Cassavetes takes a caustic view of life in the United States.

It is a land where organized crime does as it likes. The rules of law and order are to be trusted. The Mafia reads a parallel web of authority and demands even more yalpy than legitimate business. There is no room for dissent and those who try to buck a system are swiftly executed. Children are punished for their parents' crimes. The power of the film stems from Gena Rowlands as Gloria. Encouraged by Cassavetes to extemporize, she adopts a mood of desperate realism, playing up the toughness of a woman whose better nature demands that she save the skin of a dilapidated boy, played with unappealing blankness by John Adams. Miss Rowlands' performance is rich and confident, unflinching in its intelligence, unstinting in its conviction.

The longer the fugitives hold out against their lethal pursuers, the more the film becomes fantasy, ending with a scene of irritating ambiguity. Cassavetes turns the thriller into a moral fable, accusing those who show action of condoning the crimes of the status quo. Women who put themselves outside the law and cannot rely upon police protection are the subject of Tony Garnett's directorial debut, *Prostitute*. Previously Garnett has collaborated with Ken Loach on films like *Kes* and *Law and Order*, using extemporized acting and a pseudo-documentary style to humanize social and political issues. Garnett has returned to his home town, Birmingham, and, working with a cast of actors and prostitutes, has aimed to raise the level of public debate about prostitution by providing some facts. Prostitution is not illegal in Britain but the act of soliciting is. Those who have been cautioned by the police three times may be introduced in court as "women prostitutes," which campaigners for reform consider to be prejudicial.

There is no special pleading. It is enough for Garnett and his cast members of the programme for the reform of the law on soliciting, to show prostitutes as ordinary, vulnerable women playing a distasteful and sometimes dangerous trade. They claim that because of their links with organized crime and the hysteria which surrounds sexual matters, prostitutes have been deprived of common justice and often become victims of police harassment. Mary Pickford played the original Little Lord Fauntleroy in 1922, dressing up in drag to act Frances Hodgson Burnett's boy who is really a British earl. In 1936 the film was remade with Freddie Bartholomew in the title role. Both films are hard to follow, but Jack Gold's *Little Lord Fauntleroy*, set in Belvoir Castle, is a good enough not to attract comparison. Alec Guinness's central performance as the crabby grandfather who arranges for the young aristocrat's education is a major strength. And Ricky Shroder, as the boy, deserves credit for subduing the incessant chirpiness which marred his first outing, in Franco Zeffirelli's remake of *The Champ*. The supporting cast is thoroughly sound, too, led by a humorously republican Colin Blakely and a soft and understated Connie Booth.

But the triumph belongs to Jack Gold and he deserves it, particularly after the shabby television premiere granted to *The Sailor's Return*, a film which needed a large screen for a full viewing. There are minor irritants, like a too glamorous slum and perpetual old-fashioned looks between servants. Gold's achievement, however, is to make a thoroughly enjoyable family film at a time when no one else seems capable of it. Eight years ago George Lucas made *American Graffiti*, a loud, energetic celebration of cruising around in cars in 1962 America. Lucas is the executive producer of *More American Graffiti*, but the film, directed by B. W. L. Norton,

several others. Samuel Lipman, pianist, critic for Norman Podhoretz's magazine *Commentary* and a person whose musical tastes are widely thought to be representative of the philosophy of the current Washington administration, gave a reasoned appraisal of America's musical past, focusing on composers who were born in a 30-year period from 1880, such as Hanson, Sessions, Barber, Thomson and Copland. Martin Mayer immediately substituted George Gershwin and Duke Ellington (to applause), and Jan Peayer, editor of *The Musical Quarterly*, added her endorsement of these non-high art figures. Lipman defended his elitist viewpoint, seconded by the ubiquitous Weisgall, and was in turn attacked from the floor by someone who maintained that the panel was irrelevant because these composers were names out of a history book, not part of today's music, and who in any case had written their best music before he was born. Lipman observed that his adversary's birthdate did not bulk large in musical history. Verbal duels finally gave way to music in the evening, for a concert of American works performed by the Y Chamber Symphony under its conductor Gerard Schwarz. The highlights of the music were a transcription, by Schwarz, of string orchestra of an early, neo-classic string quartet by Harold Schapero, and a marvellously virtuosic and winning trumpet concerto by Gunther Schuller. Although written by Schwarz—a distinguished trumpeter—also the concerto was played brilliantly by his protégé Stephen Burns.



Gena Rowlands as Gloria, a performance unstinting in its conviction

much as he abdicated from directing the sequel to *Star Wars*. The same characters (still played by Candy Clark, Paul Le Mat, Charles Martin Smith, but without Richard Dreyfuss) are followed through the Sixties of campus revolts, hippies, drugs, Vietnam, draft-dodging and good music until 1968. But Norton has little success in involving premature nostalgia as he fails to authentically revive the time. The rare nudges to the memory come mostly through the music, which is needlessly kept in the background.

What is more, to overcome the lurches forward and back from one year to another, he attempts to make things clearer by changing the screen size. Nineteen-sixty-four is in Panavision. Vietnam is blown-up 16mm. Scenes to do with psychedelia use an intrusive split screen. The result is confusion. The theatre favourite of the Thirties, the whodunit, is resurrected by *Radley Gaze*, the *Cat* and the *Canary*, from John Willard's

play. Honor Blackman, Edward Fox, Wendy Hiller, Daniel Massey and others are billeted in an empty country house during a thunder storm to hear a 20-year-old will read from beyond the grave by a monochrome Wilfrid Hyde White on a home movie. During the night they are murdered one by one. It is a dawdling and less suspenseful attempt to ape René Clair's 1945 *And Then There Was None*. The notion of a reprieve from death has generated some splendid films, including Michael Powell's *Between Heaven and Hell* and Warren Heaton and Hall and Warren Heaton's *Heaven Can Wait*. The idea returns in a Walt Disney lecture on talking to strangers, *The Devil and Max Devlin*, directed by Steven Hilliard Stern. Elliott Gould walks through as the man who is exorcised level four of hell—horrible—if he will recruit three children to the Satanist cause, and he almost lifts it out of its morbid mire. Bill Cosby, as a black angel, is

## Books

## The anarchic fabulist

The fable is such an attractive and economical literary form—packed, with an explicit moral self-contained—that it is surprising it is tried so seldom. It is probably harder than it looks: yet Arnold Lobel, the latest fable-monger, has just achieved a substantial success. He has just been awarded the Caldecott Medal, one of the two leading awards for writers of children's books. Harper and Row are reprinting his collection of 20 tales, called simply *Fables*, although their autumn run of 50,000 was in itself an ambitious printing for a children's hardback. Jonathan Cape published the book in Britain last year. Lobel is a middle-aged illustrator from Brooklyn best known for his "frog and toad" series for younger children. *Fables* happened by accident. He was asked to do the pictures for a new edition of Aesop but, after rereading those fables decided he would prefer to make up his own.

The morals are on the face of it a curious mixture. Some of them are highly well, highly moral: "It is the high and mighty who have the longest distance to fall" and "A first failure may prepare the way for later success" and "It is always difficult to pose as something that one is not." Yet others seem frankly anarchic, encouraging in children behaviour that adults have traditionally preferred them to suppress. "Without a doubt, there is such a thing as too much order," declares the first tale, about a crocodile who so prefers the neat flower pattern of his wallpaper to the haphazard flowers in his garden that he stays indoors in bed and becomes ill. Parents who try to get their children to keep their rooms tidy—an American cultural obsession—will scarcely welcome that message. Nor will they be pleased with the story about a kangaroo who plays pranks in school: when the head teacher complains the parents play pranks on him. (Moral: "A child's conduct will reflect the way of his parents.") When I raised with him this apparent inconsistency of tone, Mr Lobel replied disarmingly: "I'm a little confused myself. The morals weren't at first supposed to be there. When I wrote them I said I wouldn't put morals in them. But it was like not dropping the other shoe not to have them—like missing when you miss the final boat."

"Fables used to be cautionary tales to teach us how to behave. I didn't think they could any longer serve that function so I tried to make the morals not really serious. I'm almost sorry I did put them in. Everyone seems to

like the stories and the controversy seems to lie with the morals." Whether you agree with them or not, the morals and tales should provide rich material for social historians of the future. They are packed with clues to modern American attitudes. "Satisfaction may come to those who please themselves," declares the moral at the end of a story about a camel who becomes a baller dancer admired only by himself. This could be the motto of the "me" generation's self-gratification is paramount. A similar idea infuses the most delightful of all the fables, about an ostrich who spends a week wooing a beautiful female in his imagination but cannot finally pluck up the courage to introduce himself to her. It was a well-spent week nevertheless. "Love can be its own reward." Although Lobel writes and draws only for children, he does not consciously think of his audience when he works. "I don't think children, I think me," he said. "They're about my neuroses, obsessions and compulsions, which turn out to be childish. They're really about this cranky, middle-aged man that I am."

Does he find, for instance, that in his life there is too much order? "I'm a very ordered person," he explained. "Only a truly ordered person can know how destructive organization can be, how like death it can be. Too much of anything can lead to regret. That's the moral of the one about the hippopotamus. (He eats too much and cannot get up from the table.)" The overriding moral is moderation in all things. But what about the prank-playing kangaroo? "That's a story about family love, the closeness of family ties." Lobel's own children are now 21 and 25 and he finds it harder to write for youngsters now that he has none at home. "Did you know that A. A. Milne only wrote the Winnie the Pooh books when Christopher was the same age as he is in the book? When Christopher grew up Milne went back to writing for adults."

That may explain why *Fables* seems as popular with grown-ups as with children. It has led reviewers to compare Lobel with the other fable-writers—Aesop, La Fontaine and James Thurber, who wrote chiefly for adults. The comparisons irritate him. "You don't compare anyone who writes a play with everyone else who writes a play," he points out. That could almost be a moral for another fable.

Michael Leapman

## BBC SO/Dorati Festival Hall

## William Mann

In this golden jubilee season for the BBC Symphony Orchestra, the conductorship of South Bank concerts is shared between present and past incumbents. So it was that Wednesday's conductor was Antal Dorati who guided the BBCSO through a difficult period in the mid-1950s. He chose to revive Roberto Gerhard's cantata *The Plague*, of which he gave the first performance during those years, and coupled it with Britten's delightful *Spring Symphony*, thus giving plentiful opportunity for admiration of the BBC Singers and Symphony Chorus, both in splendid fettle these days.

Not much has been heard of *The Plague* in the meanwhile. Albert Camus's symbolic horror story is, alas, no less topical now than 17 years ago; as the medico-narrator remarks, towards the end, "the plague bacillus never dies, it can lie dormant for years and bid its time." Gerhard's musical setting has surely grown more approachable, the violent music still exciting, the writing for percussion no less brilliant and imaginative. The flat narrative style of the text did not help the composer to explore, as he plainly desired, the wider implications of the disaster. The plague chorus in the middle, and the shouts of joy at the end, should convey a massive effect, but in this performance they still sounded scrappy, like the factual opening. The narrative for speaker, soberly delivered by Michael Rippon, seems to keep the musical commentary too much at bay. Yet, at almost any moment, there is some masterly musical idea to engage the attention, and the whole makes a sobering experience. Obviously I shall wait for a conductor who will cause the music to blaze.

The performance of Britten's *Spring Symphony* was blessed with appreciative soloists. Sheila Armstrong savoured the celebration of the "happy, dirty, driving-boy," lifted each of her bird-calls, in *Spring*, the sweet stave tone, and directed robustly with Anthony Rolfe-Johnson in "Fair and Fair". He was particularly persuasive in the gentle lyrical music of "Waters Above", rather too restrained for "The Merry Cuckoo", or indeed the part of Master of Ceremonies in the finale, who must proclaim forthrightly.

Sarah Walker caught ideally the relaxed, faintly anxious, chiefly idyllic eloquence of "A Summer Night", surely the emotional centre of the work, and an exquisitely crafted song. Soubred Boys Choir sang out excellently in "Fly Venus and phlebotomy" (arcane instruction), a strong march for "The benevolent, watchful, unforced reading, very loyal, decently played, less effervescent than expected."

## Theatre

## The cartoonist and the censor

## No End of Blame Oxford

## Irving Wardle

"Important art," says Howard Barker's cartoonist hero, "is about us. Great art is about me... I hate pain: give me ink." By selective reference you could say that *No End of Blame* (expanded from a banned television play) explores this contrast through the careers of two Hungarian artists, from their wartime experiences in 1918 to their last moments in a London mental hospital 55 years later. Barker's plays, however, do not yield to neat summary: and even in the opening scene—a battlefield life class—you have to adjust your sympathies in three directions: as Grigor (the fine artist) is avidly sketching a terrified nude girl who escapes when Bela (the hero) advances on the model intending to rape her. Thereafter we get one scene in the Budapest Institute of Fine Art, and the painter drops out of the picture leaving Bela in sole command of the play; and the cartoon-fine art theme

gives way to an exploration of artistic freedom. Bela's mission is to speak the truth: where can he do it? The play follows his long pilgrimage through the Russia of the New Economic Policy and the 1930s and his wartime emigration to England, where he blossoms under the name of "Vera" for a mass circulation daily before being supplanted in the 1970s by a new boy who can make the proprietor laugh. So far as the English scenes are concerned, "Vera" seems to be based on Vicky and Donald Zec—whose famous wartime cartoon "The price of petrol has been increased by one penny: official" supplies his main conflict with British officialdom. The key Russian scene shows him being grilled by a nervously polite committee of the Writers and Artists' Union and consenting to wear up a cartoon making fun of Lenin. Neither scene does much to support the idea of ferocious state censorship implied in Paul Frost's last line of the grimly suspicious artist: and it is left to Gerald Scarfe's brilliantly horrendous back projections to convey just what the truth is that he is so keen to impart.

## Variety

## Phoenix

## Ned Chaillet

First impressions can be damning, but a rude clerk in the box office seemed determined to supply a nasty taste to the opening of the Phoenix Theatre's new season. West End variety, the ugly curtain saying *That's Showbiz!* did nothing to reassure one and the first few notes of the overture emphasized a drummer who sounded as though he had been recruited from a Soho strip joint. When the Phoenix Dancers clumped on, with four men seemingly uninterested in dancing with each other, or with the women dancers, it began to look as if the show's title could be changed to "That's Tacky!"

Ken Goodwin, the show's principal comedian, continued that tone when he swallowed his punchlines or covered them with his own laughter. By the middle of the show he was asking anxiously after nearly

## At Home Riverside Studios

Michael Weller is such an overtly American playwright in his tone of voice and comic rhythms that it is easy to forget his early close ties to the British Theatre. His last full-length play, *Loose Ends* is a 10-year leap in the chronology of his generation which he began with the play *Cancer* at the Royal Court in 1970, and it is overdue for an airing in London. Walter Donohue's lunchtime production of *At Home* works rather as a trailer for that larger play, displaying Mr Weller's fine skills of characterization through prickly conversation.

They are skills which keep the surface of his plays alive with a twitchy naturalism, exploiting the tendency of people to blur the lines between the real and the staged. The two characters in *At Home* are a married couple, still sore from a trivial skirmish over the salad bowl where they have

been surprised by the depth of their anger. Trying to effect a truce before their dinner guests arrive, they vent more anger and hurtful sexual confessions on each other.

There is more to their marriage than the shimmering frustration, however, and Mr Weller's very funny writing is incisive in exploring the whole relationship. They may come to no clear understanding of the reasons for their fight, but the audience can see the desperation that holds the two together, that makes them cling together in a constant fear of intruders, even if the intruders happen to be close friends.

Kevin McNally and Kathryn Pogson give well-rounded performances, conscious of the conversational gains that must be played if emotions are not to rule. They each recognize the delightfully absurd quality of their quarrel, and give full play to the comic lines, but Mr McNally goes further, opening up for one raw moment of pain before plastering the rift over with words of equally real affection.

## Telemann and all his pleasures

## Barlow Baroque

## Players

## Purcell Room

## Stanley Sadie

Georg Philipp Telemann, the centenary of whose birth falls next month, must qualify as the most ingenious, most energetic composer of his age. His output, vast, and besides composing, he taught, he played, he theorized, he organized concerts, he engraved music, he edited a monthly journal, he investigated folk dances, and in his spare time he seems to have pursued an interest in botany. No wonder, perhaps, that his music is not of the profoundest. It rarely sounds as if it took long in gestation or was the product of deep or hard thinking. But it is unfailingly fluent, neatly and efficiently written, brimful of ideas, and immensely characteristic. Wednesday's celebration of him by the Barlow Baroque Players offered a selection of his chamber music, some of it Italianate, some of it Frenchified, some of it pure United Nations, and all of it instantly recognizable as his. His national disguises never concealed much of the real man.

The Barlow players did not much characterize the music,

and the pieces that worked the best were those with long, cantabile Italian lines, in particular the two trios sonatas. One in E major, with violin and recorder seemed especially inventive, with its broad melodies and its closely imitative writing, the melody instruments sometimes following one another, sometimes diverging just enough to intrigue the ear. One in E major, would-be Corellian in style, but still unmistakably Telemann, started charmingly with the line elegantly passing from violin to flute and back, again imitations with subtle differences.

The quick movements here, however, were so dully played that no amount of Telemann ingenuity could bring them to life: in the figure finale, for example, Mr Barlow and his colleagues got the thing without so much as raising their eyes from the music. No wonder the effect was lethargic. In No 10 of the Paris Quartets, music demanding careful, stylish shaping, especially if it is to sound as all French, the routine interpretation drained its grace and character.

Telemann's enterprise, his wit, his cheerfulness never flagged; after all, much of his music was designed for amateur recreation. But it would have profited from a more assured instrumental command, more attentive musicianship.

## THE RETURN OF ONE OF THE SCREEN'S TRUE CLASSICS!

## Wuthering Heights

FROM THURSDAY GATE TWO GATE MAY FAIR

## London debuts

In these days of advanced technical excellence ahms's Sonata Op 2 is a desperate struggle for the most virtuosic. Elisabeth Leonskaja is a performance, however, it is masterful—maybe her self-consciousness with imperious gestures of hand and arm. But even if the first movement was seen mainly as a conflagration between hands of keys the playing was quite superb in its combined agility of tonal richness. In the finale there was exquisite control and much expressive writing, ending with a subtle preparation for the Scherzo which it is joined, indeed, the ality appearance of the late-movement's initial clamour was a genuinely dramatic event.

Miss Leonskaja's ardent yet occasionally rather foursquare response to Brahms would doubtly not suit the often rare and elusive moods of human's fantastic Op. 2, and she showed herself a

natural pianist in the way she modified her approach here. "Des Abends" was remote and refined. "In der Nacht" black and turbulent. "Traumes Wirren" fleeting and insubstantial, an almost nebulous presence. During a performance such as this last received one forgets how conventional the figuration basically is. A powerful but peculiar grasp was shown also of Chopin's Sonata Op 58, which was dressed in warm colours, the whole conveying an impression of force and amplitude.

Except in the high-flying lines of its slow movement, Szymanowski's Violin Sonata Op 9 of 1904 is not a typical piece, and the performance by Antonina Biatas, and even more that of her pianist, Andrew Plehn, was far too loud. Such resonant confidence in place yet should not take over completely, as it nearly did in this recital. Miss Bi-

## Max Harrison

las's playing was more enjoyable in Szymanowski's more characteristic Romance Op 20 (1910), a more testing piece because of its more personal language, in which she achieved considerable sensuous beauty. This was an all-Polish programme and Paderewski's Sonata Op 13 came next, offering, as might be expected of an early composition by a popular virtuoso, no individual thoughts. It is efficiently written, though, which is to say effectively and with academic correctness in the lingua franca of late Romanticism. There are many sonorous textures, and it was thrown off with considerable gusto by both participants. A *Reclutatio* by Lutoslawski was more delicate, and hence something of a relief in view of the consistently loud playing elsewhere, but an unaccompanied Sonata by the prolific Grazyna Bacewicz presented calisthenics rather than music.

Parents who try to get their children to keep their rooms tidy—an American cultural obsession—will scarcely welcome that message. Nor will they be pleased with the story about a kangaroo who plays pranks in school: when the head teacher complains the parents play pranks on him. (Moral: "A child's conduct will reflect the way of his parents.") When I raised with him this apparent inconsistency of tone, Mr Lobel replied disarmingly: "I'm a little confused myself. The morals weren't at first supposed to be there. When I wrote them I said I wouldn't put morals in them. But it was like not dropping the other shoe not to have them—like missing when you miss the final boat."











Geoffrey Smith

# Can the Liberals patch an alliance?

'One of the curious features of the Liberal Party is that it has so many members who are not really interested in power'

The social democrats would not run where there is a Liberal MP and in Tory marginals where the Liberal came a second.

But what are the prospects for such an arrangement in practice? One of the curious features of the Liberal Party is that it has so many members who are not really interested in power. Politics is either their form of public service or a rather agreeable activity to be conducted with like-minded people. There are others who are interested in power but only at local level. Liberals in these categories will not easily be induced to back a social democrat in their own constituencies so that the Liberal Party at Westminster will stand a better chance of gaining office.

None the less, opinion within the party has been moved by the thrill of recent polls. Attitudes vary in different parts of the country—probably most hostile to a pact in Yorkshire, more favourable in the South, though with London a possible exception. The general trend is more favourable than it was to Mr. Steel's chances of securing his cherished objective of an electoral agreement. But many a Liberal would display his prickles once again if the social democrats were suddenly to announce that they would contest a majority of seats at the next election, or if which is not expected—they were to put up candidates for the county council elections in May, when the Liberals expect to do rather well.

Even if these perils are avoided there

but that will depend quite a bit on how much genuine cooperation there has been with the social democrats in the meantime. They are not likely to choose on any of Mr. Steel's policy priorities, which most of them seem to believe in as much as he does. But it is hoped that the declaration would also contain a commitment to campaign on each other's platforms in the election.

Liberals will also be much influenced by whether the social democrats work together with them in Parliament once they have made the break from Labour.

In other words, the Liberals will be looking for evidence of a close working partnership which might bring about the realignment of British politics for nearly 20 years. But they are wary of simply acting as the midwife at the birth of a new Labour party. So they become suspicious every time they hear a social democrat claim to be the true inheritor of the Labour tradition.

This is understandable from the Liberal point of view, but it does not take account of the social democratic dilemma. How are they to keep the support of a good many traditional Labour supporters while breaking away from the party? If the social democrats cannot do that they will be politically dead, no matter how well they get on with the Liberals. If an alliance is to be formed, therefore, it must rest not only on policy agreement, which should not be too difficult, but also upon trust and tact, which may prove more elusive.

An alliance should suit both sides. The chances are that something will be put together, probably not so much a pact as a patchwork quilt, more impressive in some places than in others. But how much comes of it will depend on how each side responds to the key question with which it is presented. Are the Liberals serious in the pursuit of power, with all the compromises that must entail? And do the social democrats want the Liberals as more than an electoral convenience?

## That old Titanic sinking feeling

New words and new meanings: an occasional series by Philip Howard

What with one thing and another, this may not be the most diplomatic moment to bring up the sinking of the Titanic at the start of the new year. But I think that there is evidence that our popular modern metaphor about the Titanic as the unsinkable has a hole below the water-line. I can find no contemporary evidence that the Titanic was regarded as virtually unsinkable until after she had sunk. With hindsight we have created the myth because it makes a more dramatic metaphor. I now find it hard to believe that the Titanic was hailed as unsinkable and the subject of much ballyhoo to that effect before her maiden and fatal voyage.

If so, one might ask why the Olympic did not have similar headlines. The answer is that the Olympic was almost identical to the Titanic, and had been in service for 10 months before the Titanic's maiden voyage. The Times, reporting the launch of the Olympic on June 24, 1910, said: "The Olympic was hailed as unsinkable and the subject of much ballyhoo to that effect before her maiden and fatal voyage." (June 24, 1911) makes much of her size, the problem of launching, the luxury of accommodation, and the fact that her lower speed (21 knots) allowed her to have smaller engines than the Mauretania and the Lusitania. It is stated as a matter of statistics that she had 15 bulkheads or watertight compartments, but the conclusion is not drawn that this made her unsinkable.

The launch of the Titanic at that time the largest ship in the world, was reported in The Times on June 1, 1911. We remarked that she would be heavier than the Olympic when fitted out; but, being lighter at launch, she caused a smaller wave. When the Titanic sailed from Southampton on April 10, 1912, little attention was paid or comment made, other than short pieces about the luxury of the accommodation, the attractiveness of the sports facilities, and so on. Nobody was writing about unsinkability. There is a typical and, with hindsight, ironic example at the end of the leader in The Manchester Guardian of April 11. It is writing about the new arrangement of the promenade deck: "On the upper deck we can look through the windows and safely sheltered from contact with the outer air obtain full view of the sea, so much appreciated by passengers. Let us be grateful for that provision."

Only after the underwave spur of ice (from an iceberg that had probably recently overturned and was showing dark side) was seen, did the swell to create ripples round it had ripped 300 feet out of the Titanic's starboard side, did the press start to write about invulnerability. The word unsinkable occurs for the first time in a leader in The Times a day after the disaster. The owners had done their best to make this sort of ship unsinkable.

After the Titanic had gone down, the press and the inquiries resurrected the fact that she had been built to floatation standards higher than required by regulations then or now, with watertight compartments, so on. There was also much resentment aroused by reports that greater efforts had been made to save the lives of other passengers. The Daily Herald claimed that 61 per cent of first-class passengers had been rescued, against 36 per cent second class and 23 per cent third class.

The pathos and horror of the disaster at once turned the Titanic into a dramatic metaphor for disaster. The metaphor about the origin of the metaphor may seem like, we changing deckchairs on the Titanic. But it was only after the Titanic sank that we started to think of her as virtually unsinkable.

Dan van der Vat

## Refloating a lost piece of Tudor history

The most ambitious and exciting project of its kind in the history of marine archaeology has passed the point of no return this month with the final decision to raise Henry VIII's flagship from the seabed and bring her ashore next year.

The Mary Rose, built in 1510 and enlarged in 1536, sank during a brush with the French in the Solent in 1545. The mud on which she has rested at an angle of 60 degrees ever since she sank served not only most of the hull in unprecedentedly good condition but also immense quantities of the personal effects of the 700 sailors and soldiers, nearly all of whom were down with her.

The rediscovery of the wreck in 1967 has proved to be an archaeological opportunity unique in both quality and quantity. It offers an unparalleled chance to find out about the way of life in England in the middle of the sixteenth century, including details of diet, clothing, craftsmanship, work, leisure and weaponry.

So in 1978 the Mary Rose Trust was formed with the aim of clearing the silt from the wreck, bringing up all manner of relics and then lifting the hull bodily and bringing it ashore by pontoon and ramp to form the centrepiece of a museum to be built for the purpose.

The President of the Trust is Prince Charles who will be guest of honour at a reception in London on Tuesday to help raise the balance of the £3m needed to bring the ship ashore and put a roof over it. The Prince has been his responsibility for the wreck since he joined the hundreds of volunteers in diving on the wreck to see it for himself.

This month's decision to go ahead with less than half the money raised is a bold one but the results produced by the Trust's staff so far are already enough to justify the effort. They can be seen in an old bonded store in Portsmouth, now converted into offices and workshops full of

water-tanks, cisterns, bathtubs and polythene parcels.

The Mary Rose may be a very old ship, but the methods in use to salvage the history she encapsulates are impressively modern. The technique of freeze-drying, for example, used to preserve relics is adapted from the latest instant-food technology. Delicate medical instruments have been used to probe cavities never dreamed of by their inventors, including the bowels of cannon.

The 23 full-time staff are enthusiasts to a man and woman. The principal fundraiser and financial controller, for instance, threw up a successful (and much better paid) career as a senior executive at Marks and Spencer.

He is Mr Ian Dahl, who at 36 is coming as close as he ever will to his frustrated youthful ambition of being a naval officer by finding the sinews of war for this unique salvage operation. "I could not join the Navy because I am colour-blind and short-sighted," he said. "Even after 14 years in a good career with a very good employer, I jumped at the chance to come here and work in a couple of weeks."

In six months in the job, Mr Dahl has succeeded in finding American financial support, and his next target is Europe. Already his horizons extend beyond the greatest project of his kind to a time-capsule as a frozen moment of history. Everything we have brought up so far comes from the upper levels of the wreck; it is entirely possible that we may even come across documents, which would be a fantastic find.

Chests containing clothes in remarkable condition had already been found and there was no reason why there should not be more such recoveries. Underwater you get a complete social cross-section which you don't normally get on a land site.

The remains of cockroaches, which are found in food tell you a lot about what they used to eat in those days.

The Mary Rose is not so much a time-capsule as a frozen moment of history. Everything we have brought up so far comes from the upper levels of the wreck; it is entirely possible that we may even come across documents, which would be a fantastic find.

Her original displacement was 600 tons, remarkable in itself for the period, but she reached 700 tons after conversions. She had a mixed armament of 91 guns and a normal complement of 415 men, including 185 archers and pikemen. On July 19, 1545, she was the flagship of Vice-Admiral Sir George Carew, commanded by Captain Roger Grenville, and is thought to have had 700 aboard when she went down. Many of them will have been found by the time she comes up again to make a naval exhibit unique in the world.

The Mary Rose is important not merely because of her state of preservation but also because she represents a watershed in naval strategy. She was one of the very first ships built as a warship, and also one of the first capable of firing broadsides. With her lines of cannon below deck she is an early ancestor of the ship of the line and thus of her future near-neighbour, HMS Victory.

She sank a mile offshore within sight of Henry VIII, probably as the result of a design fault. It is thought likely that her gun-ports were open and that she shipped a fatal quantity of water through them as she heeled over while manoeuvring against the French, whose claim to have

sunk her by gunfire is natural but dubious.

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Dan van der Vat

## MOSCOW DIARY

My office phone rings. "Is that the newspaper Times?" a voice asks rather guardedly. I say it is. "I have to talk to you. I have something very important to say. We must meet." I demur and ask what he would like to talk about. "I cannot tell you now, but it is vital your readers know about this. Where will you meet me?"

There seems to be no escape. Okay then, I reply. I will be down on the street outside a certain shop at about 12.00. I am tall and will be wearing a brown coat.

It looks like being yet another wild goose chase. I go down to the street, and there is a young man in jeans with a fur hat, padded coat and the inevitable battered briefcase, standing looking around. After exchanging glances once or twice he comes up and asks if I am the correspondent he is waiting for, and then as we walk round the block he starts his story.

Thus begin dozens of sad accounts of personal tragedy, injustice and bureaucratic bloody-mindedness. The person in question has typically com-

plained about some unfairness at work, quarrelled with his boss, created a scandal or tried to organise a petition and then lost his job. He has carried on with his campaign, and has been warned by the KGB to drop the matter. He has refused, and has been told he will not get another job. So he resolves to emigrate, only to find that the visa office will not consider his application.

In the end he decides to seek out a western correspondent and tell him all about it, with a sheaf of documents to prove his point. "I know you people are interested in dissidents and can help them," is the usual line.

I find these cases disturbing because they are based on a fundamental misunderstanding of the job of western correspondents in Moscow. We are not here as campaigners for any cause, good or bad. Dissidents are not *per se* of interest. Not everyone who has suffered some injustice needs to have his story related in the western press. There is no time, and frequently the case does not illustrate any important point about the Soviet Union—other than that the

system is inflexible and vengeful to those who attempt to challenge it.

Finally, of course, there is nothing usually a western correspondent can do: he cannot lobby embassies, take letters, act as an intermediary or confront the authorities with the case.

He can, of course, write about it, and the authorities in recent years have hesitated to act against people whose names and aims are widely familiar in the West. But publicity is not necessarily a protection, especially for people whose misfortunes do not represent any principle arousing concern in the West.

Soviet citizens who call up western correspondents are either very brave or very naive. Almost every Russian is convinced, with good reason, that the phones are tapped. It is a mystery where they get the number: no telephone book has been published in Moscow for years, and the rare copies of the official list of Moscow's offices and business numbers do not list embassies or foreigners' numbers. You

will not be told such numbers if you ask telephone enquiries or at the public information kiosks.

There is one old man who phones me regularly—usually at eight on a Sunday morning, bless him—to talk about his troubles. He was once a children's writer, and is much concerned that his stories have not been published abroad. Now and then he wants to know whether you could find him a publisher, but his usual complaints are about his neighbours, his flat, his unanswered petitions to Brezhnev and the central committee, his illnesses and so on. You can lay the receiver down, make yourself a cup of coffee, and return to find him still talking. One colleague punched an entire story on the telex without the old man drawing breath.

Another man, a former architect and restorer, has phoned virtually every correspondent in Moscow, and it is only after we have compared notes that we have found his initially plausible and interesting accounts of the persecution of the Tolstoy Vegetarian Foundation, the restoration of the Armenian "embassy" in

Moscow, or the saga of the Bolshoi Theatre are less reliable than they appear.

Some of those I have met are frankly odd. "I was a KGB agent," a big man with a beard once said, beginning his history, and he told me about all the people he had been required to make love to during the course of his duties. Every so often we had to make a detour to avoid a large building where he believed microphones were installed in the outside walls.

You invariably have to meet those who phone on the street. Police guard the entrance way to every block where foreigners live, and any Soviet citizen who wanders in without an official invitation will be stopped and asked his business.

But meeting unknown people has its problems. One man told me he was short, wearing jeans and a cap and carrying a case. He went down to the appointed trysting place, to see his figure disappearing into the shop. I followed, sidled up to him and asked: "You phoned me?" He gave a look of horror and astonishment and quickly

backed away. I went out of the shop, and there was another short man wearing jeans and a cap and carrying a case.

One colleague who promised to pass on a copy of some newspaper article agreed to meet a man in a brown coat carrying a newspaper in 15 minutes. He went down and gave the article to the grateful caller. Some months later he was introduced to a man who said he was the one who had called, and he had waited for a long time in vain for the journalist. Somebody else, it appeared, had overheard the arrangement and had been quicker off the mark.

Not all those who call up are cranks. Some have genuinely sad stories to tell—the translator and broadcaster from Moldavia, for example, who was sacked when his parents became Jehovah's Witnesses, and was told he would never be given a job again as long as his parents were alive. He was given an exit visa to Romania, where he had relations, but the Romanians would not accept him. He then applied to go to a west European country, but this time the Soviet authorities would not give him a visa.

"What am I to do," he asked in despair, "kill my parents?" He came all the way to Moscow to seek help, and threatened to storm into the American embassy and stay there until allowed out. It took a lot of talking to persuade him that this would be fruitless, and the only thing to do was to persist in his application.

Recognizing those who have a publishable story to tell can be difficult. Usually it turns out that the man simply wants his name in the newspapers, thinking that this will help him emigrate. Two men came to a Western news agency last year, and one insisted that his companion had tried to reveal a colossal scandal in the Black Sea resort of Sochi involving top party officials, for which

they had been dismissed and then threatened. Six months later a Soviet newspaper broke the sensational story that the mayor of Sochi and his associates had been jailed for 13 years for corruption.

One problem is that Russians have no conception of how the Western press operates, imagining it simply to be the reverse image of their own.

Michael Biny

An artist's impression of the new Hongkong and Shanghai Bank Corporation headquarters.

## Humanizing the tower office block

The new headquarters for the Hongkong and Shanghai Banking Corporation, revealed yesterday, will, when complete, be one of the world's most interesting (and possibly most expensive) commercial developments. As far as the bank is concerned the interest lies in the fact that their building will have a more efficient use of space than anything comparable.

The architects, Foster Associates, are British and won this gigantic commission in international competition against six other architectural firms, and the prime interest is to see what Foster is up to now (in these post-Sainsbury Century days when everything has pediments in glass-reinforced plastic) and whether he has succeeded in his stated aim to "humanize the tower office block".

It is clear from the plans and models that the building is a development of the mainstream strand of high-technology. That is to say that all techniques—whether industrial or constructional—are to be used to create the optimum building interior, and that the exterior will be the result of that. Being Foster the result will be good—a 41-storey tower of much greater interest and vitality than one normally gets in buildings of that scale.

What we shall not be getting is any truck with the current trend of miscelaneous post-modernism wherein it is believed that the exterior of a building has an independent existence and should be designed accordingly.

The building has three main elements: a structure of eight, huge four-legged steel pylons like something out of *War of the Worlds*; the office and banking accommodation, mainly glazed, which are slung between them, with horizontal blinds giving a screen-like effect; and the service towers, which include staircases and lifts, some of which will be clad in glass.

Still me, M, how did your chaps keep awake when they phone-tapped the Canadians?



Charles McKean  
Architectural Correspondent



# CHINA

China has entered 1981, the year of the cockerel in the traditional zodiac, in a peculiarly ambivalent mood. The sentences on Chairman Mao Tse-tung's widow and nine other people accused of counter-revolutionary activity have cleared the air somewhat, and the two-year suspension of the death sentence on her almost certainly means she will be spared execution and live out her life in prison.

This abstention from the growing tendency towards political executions in many countries shows that the Chinese leadership is sufficiently self-confident to exercise leniency towards its opponents. It suggests a humane mood which underlies many of the reforms of recent years.

There will, however, be no leniency towards those who will feel that the sentences on Jiang Qing and the others were too lenient, and that their continued existence represents a threat to the authority of the leadership group around Vice-Chairman Deng Xiaoping.

In this sense it may be more difficult for Mr Deng to swing the country completely behind his bold and sweeping reforms, about which many people in positions of authority are worried because they depart so far from the teachings of Mao.

Others will criticise the sentences on the ground that the accused have been treated stiffer punishment because they were once prominent leaders, whereas ordinary persons would have been executed for doing a hundredth of what Jiang Qing is accused of.

The common people have shown no sign of excitement at the sentences; they have been too busy preparing for the lunar new year festival which took place on February 4 and 5. Like the western Christmas, it is a time for frantic shopping, feasting and drinking and singing relatives.

This year many people have something special to celebrate—the reunion of a married couple previously sentenced to separate jobs in different parts of the country, the return of a son or daughter from the rural areas, or the payment of compensation by the Government to people whose property was confiscated in the Cultural Revolution. This is all good news for the city dwellers, but what of the peasants who make up 80 per cent of the population?

The new year is especially important to the peasants, whom it is associated with the crop year and the end of many traditional superstitions or religious practices, by no means all abolished. The peasants can look for some satisfaction on a pair of strong arms.

In the cities, more and more young people see the chance of obtaining higher education, embarking on a career, or even starting a small business, which is no longer banned.

It is not surprising if some of the top generals and regional commanders have recently been showing signs of restiveness as Mr Deng's policies, from which they have not benefited. On the contrary, they have seen their spokesmen, elbowed out by one of the Politburo.

While reasserting its traditional control over the armed forces, the party leadership has also shown its prerogative of decision making in economic matters anywhere in China—by suddenly slashing big industrial construction projects and halting imports of most forms of foreign-made machinery and equipment.

Engineers and salesmen from Japan, Western Europe and North America are beginning to pack their bags, as work has come to a halt on numerous big industrial sites across the country. The idea is to enable the planners to take a fresh look at investment priorities and efficacy of equipment use.

Yet the Chinese economy is still fundamentally sound, being rooted in the soil, and still only marginally affected by economic trends in the developed world. The main problem caused by the cut-back in heavy industry will be the reemployment of the redundant workers.

Some workers will find employment in the textile and light industries, which are expanding fast. But the shadow of unemployment in the cities is lengthening as more school-leavers come on the job market, in addition to young people who have returned from the countryside.

The other big problem affecting all sectors of society is the growth of apathy, cynicism and refusal to accept responsibility, caused by the political twists and turns, and the ups and downs in the leadership, reversal of propaganda trends and so on. Chinese people are by nature industrious and enterprising, and it is astonishing how those qualities have been damped by three decades of socialism.

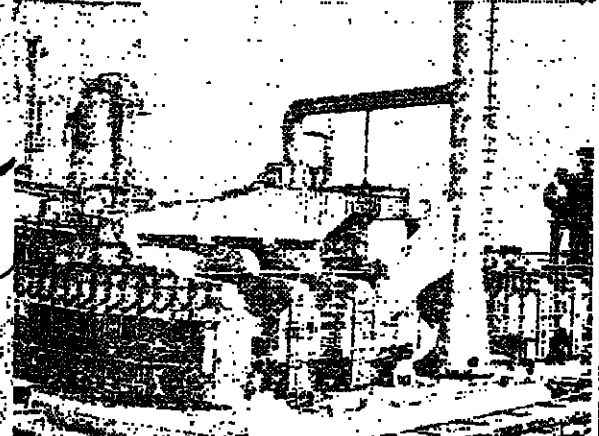
The party press inveighs daily against "going through the back door"—meaning corruption and nepotism. If China is to make the national recovery which has eluded it for a century and more, it will be through enlightened appeals to the self-interest of the mass of the people, who no longer believe in an earthly paradise to be built on the writings of Marx or Mao.

David Bonavia  
author, *The Chinese*



photographs: Richard & Sally Greenhill

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## Some tightening of screw likely

Politics and social reform is to be the keynote of the 1980s in China, as the policies of the post-Mao leadership are consolidated and translated into reality. Liberalization is the purpose of most of the reforms already declared, but there are certain key areas where the rights of the individual to free self-expression will not be measurably enhanced, and may even see a tightening of the screw.

The late Chairman Mao's definition of political freedom was the right to discuss public affairs openly, and to criticize other people in public. But under Mao these freedoms were relative, and were accorded only to the left-wing faction holding sway at any particular time in any part of the country.

As Mao's widow, Jiang Qing, once said, "only the left has the right to rebel". Expression of an opinion which Mao's group considered deviant or misjudged criticisms of one's superiors, could and often did bring personal disaster. Self-expression was actually suppressed more severely in Mao's later years than at any time in Chinese history.

The present leadership sees freedom of expression not as a goal in itself, but as a way of rationalizing social institutions through constructive criticism and, while high officials are expected to submit to criticism from the public, the people voicing it have better be sure they have their facts right, and are prepared to carry their claim all the way to the top.

The model of this type of constructive criticism last year was a cook in an expensive Peking restaurant, who a few years ago, while denounced the Minister of

Commerce for treating himself to cut-price banquets. The young cook was eventually vindicated, but only after he had met strong opposition from his work-mates who thought it inadvisable to "rock the boat". He ended up a hero, but he could just as easily have lost his job.

A good legal system is the basis of all freedom in society, and just over a year ago the process of drafting comprehensive legal codes was begun with the publication of a new criminal law and law of criminal procedure.

There is still no systematized civil code in China, and the tradition of sorting out disputes through arbitration by the authorities on the spot is still widely used. The acute shortage of people with training and experience in legal work is a severe hindrance to the implementation of the new codes, but it will be solved in time.

What remains to be seen is whether the Communist Party will stick to its pledge not to interfere in the legal process for political ends. No other communist country has reached such an ideal state.

More tangible for the mass of the people are the liberalization measures in culture, education, the arts and the news media. Turning on the television in the evening, one may see public, the people voicing it have better be sure they have their facts right, and are prepared to carry their claim all the way to the top.

Foreign news is dominated by up-to-date clips bought from the big western news agencies—a far cry from the year was a cook in an expensive Peking restaurant, who a few years ago, while denounced the Minister of

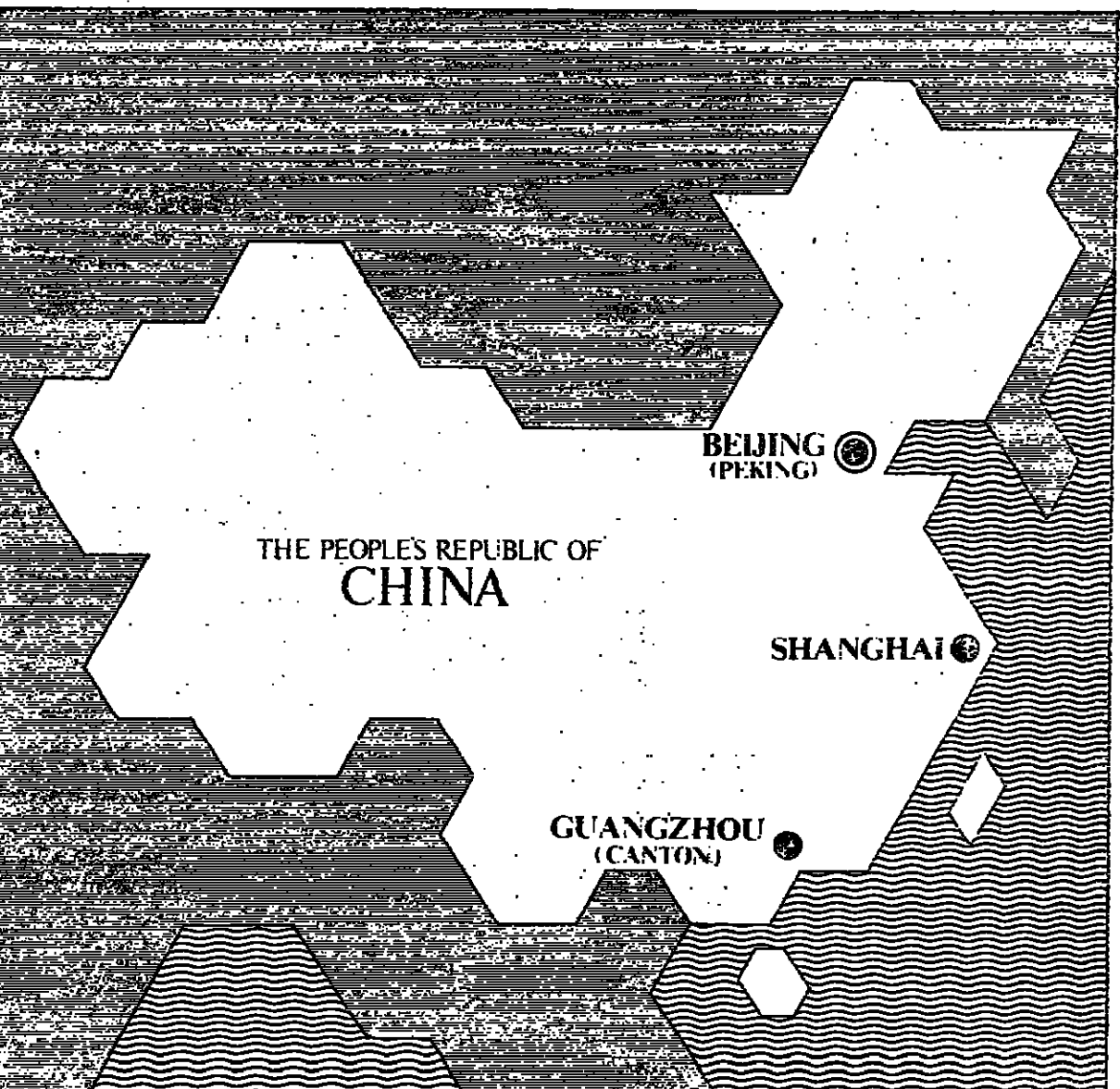
ment: "Here is a summary of tomorrow night's news". The favourite television series is an American production about espionage and sabotage in the Second World War. The Chinese cinema is also much livelier than before, with thrillers, comedies, romantic love stories and, above all, films denouncing the evils of the Cultural Revolution. The production are stagey and stilted, but the enthusiasm over saying something new is unmistakable.

Problems of sex, especially the wedding night, have been dealt with sensitively but realistically in a special supplement to the national women's magazine, which sold in large numbers. Sometimes people go too far, in the eyes of the party, as in the case of a small printing shop which was turning an extra penny by printing copies of a Japanese zodiac which identified people with flowers rather than with constellations. It was in great demand until printing was stopped by the authorities.

Trivial much of this certainly is, but it takes years of being deprived of trivia to make people realize how much it contributes to the colour and interest of their lives.

On a more serious level, the party has reinstituted local government elections, and there is often a choice of candidates, though not always. The leaders have declared frequently that they want to see a real separation of functions between local governments and the party committees.

The party plans to opt out of day-to-day administration, and concentrate instead on general matters of policy, continued on page 11



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## Purge of leftists reaches culmination

### Leadership

Somewhat contrary to the wishes of his leaders, the past year has shown that in China politics still rules all. The principal event of recent months has been the trial of Jiang Qing, chairman Mao Tse-tung's widow, and nine other people, on charges of counter-revolutionary activity, including, in the case of some defendants, an attempt to assassinate Mao himself.

The trial, proclaimed as an exemplar of the new legal code introduced last year, was run as a political show, piece, with incessant prejudicial comments in the national media, and minimal opportunities for the accused to defend themselves.

The other important event has been the removal of Mr Hua Guofeng from his post as Chairman of the Communist Party, a move which has yet to be formalized but which is regarded as almost certain. Mr Hua's enforced resignation is the culmination of the process of ridding the leadership of residual left-wing influence from the Mao era, and has been masterminded by Mr Deng Xiaoping, the Vice-Chairman and the country's leading strongman.

The ousting of Mr Hua has been only the most notable incident in Mr Deng's long drawn-out purge of leftists and those thought they could line up with them to oppose Mr Deng's increasingly violent assault on Mao and his ideas.

Most prominent in the Deng group are Mr Hu Yaobang, appointed Secretary-General of the party last year, and Mr Zhao Ziyang, who took over the post of Prime Minister from Mr Hua after a meteoric rise from provincial officialdom.

Mr Hu is widely rumoured to be about to succeed Mr Hua as chairman, but there have been other reports suggesting that the chairmanship may be abolished altogether, thus returning the party to the mould of the ruling parties of East Europe. In either case, Mr Hu would nominally be head of the party, although he would still be subordinate to Mr Deng in all practical matters. Yet another version has it that Mr Hua will not become a focus of opposition to Mr Deng.

Marshal Ye has become increasingly alienated from Mr Deng because of his defence of Mao's reputation, at any rate his refusal to see it pulled apart as much as some would like. Still exercising moral influence in the People's Liberation Army, Mr Ye is believed to have tried to keep Mr Hua in office as a counter-weight to Mr Deng, and as the symbol of the continuity of policy since Mao's death in 1976.

Mr Li and Mr Chen, both veteran economic planners and administrators, are believed to be in favour of a somewhat more cautious pace in social and economic reform, but they will probably retire soon through age.

Persistent rumours tell of a serious quarrel between Mr Deng and General Xu Shiyuan, a deputy Minister of Defence and until recently commander of the Canton Military Region.

Mr Deng is understood to be particularly intent on taking over the chairmanship of the party's Central Military Commission from Mr Hua. There are many grounds to believe that some top military commanders have been voicing opposition to Mr

Deng's policies and he would doubtless like to bring them into line.

Mr Zhao's appointment as Prime Minister was soon followed by the cancellation of large numbers of heavy industrial projects, considered wasteful or misplanned, and of much of China's import programme for the next two or three years.

Other key figures in the leadership include Mr Ye Jianying, the Vice-Chairman; Mr Li Xianjun and Mr Chen Yun.

Having reportedly protected Mr Deng during the latter's second period of political disgrace in 1976, General Xu is thought to be in disagreement with the attacks on Mao, and resentful that he did not get the post of Defence Minister, which is still officially unoccupied since the resignation of Marshal Xu Xiang-qian last year.

There are yawning gaps in the leadership because of purges and resignations, and the ranks of deputy prime ministers in particular have been thinned out. Fresh appointments are believed to be awaiting the plenary session of the Central Com-

mittee which is now unlikely to take place until after the Chinese New Year, in early February, and the Twelfth Party Congress later in the year.

In the meantime, however, the country has to be run, and the main difficulty for Mr Deng's group is a simple paradox: his policies are bold and decisive, but the bolder they are, the more timidity they create among the middle-level bureaucrats who have to carry them out, and the slower they are in being implemented. Add to this the unease felt by many party members about the extent of "democratization", and the fear of being victimized if they go along with it, when there is still a chance of another leftist administration at some time in the future, and the present degree of administrative stagnation and confusion is easy to understand.

While any comeback by a leftist regime seems most unlikely from the vantage point of today, the habit of seeing politics as a cyclical process is deeply ingrained among Chinese administrators, who were schooled in a near-

superstitious awe of Mao. None the less, Mr Deng has been able to push through many reforms—some perhaps more evident on paper than in reality, others quite tangible and successful. The restoration of a measure of popular choice in local government elections, and encouragement to people to speak their minds, within certain limits, are healthy signs and very necessary after the long years of enforced conformism.

The new codes of criminal law and procedure, taxation, joint enterprises and protection of the environment, are laying down a basis for more rational and open government, supported by a greatly liberalized and renaissance press. Unfortunately too many high officials still adhere to the old methods of dictatorial fiat and factional intrigue.

Factionalism is one of China's most tenacious problems, and it is difficult to see how middle-level administrators can be expected to shut it when it still so clearly dominates political life at the top.

David Bonavia

### Economy

## Meeting basic needs supplants industrial projects

The Chinese economy, undergoing radical readjustment, presents a picture of uncharacteristically violent change. The suspension or cancellation of hundreds of heavy industrial construction projects in hand early last year is already showing results in the increased pace of growth in light industry, to which enormously increased use of present energy sources can make big investments in non-renewable fuel reserves unnecessary for the time being. Oil has not quite reached last year's production figure of 306 million tons, but at 296 million tons, is down nearly 5 per cent.

Steel, despite the latest reductions in investment, increased more than 7 per cent to 37 million tons, with rolled steel increasing from 25 million tons to more than 27 million tons. Chemical fertilizer showed a much needed increase of 17.5 per cent to reach nearly 13 million tons in 1980.

Electric power generation was up more than 5 per cent to 237,000 million kilowatt-hours, and a further increase to 305,000 million kWh is planned for this year—mainly through new hydro-electric plants and more economic use of coal.

Light industries and textile plants increased output by about 17 per cent last year, while heavy industry as a whole showed only a 1.6 per cent increase—indicating that the new priorities have begun to bite.

Light industry, consisting of goods ordered before the new cutback policy went into effect, rose by 15 per cent to 27,700m yuan (£7,426m), and exports by 27 per cent to 26,900m yuan (£7,212m). Exports of ag-

ricultural and light industrial products fell slightly as a result of the poor harvest and as the world recession bit into demand.

The oil and coal industries are also being cut back or allowed to stagnate for a while, despite the acute shortage of energy. This is justified by the leadership's declarations that more economic use of present energy sources can make big investments in non-renewable fuel reserves unnecessary for the time being.

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ricultural and light industrial products fell slightly as a result of the poor harvest and as the world recession bit into demand.

Production of radio and television sets increased by 110 per cent and 84 per cent respectively, showing the leadership's concern with getting its political message across to the people—while providing more attractive and varied entertainment.

Other important indicators of concern for the consumer are bicycles (up 29 per cent), sewing machines (up 31 per cent) and watches (up 29 per cent). Watches and electronic goods are imported in significant quantities, although many of these are gifts to relatives from Chinese people living abroad.

The peasants benefited from increased rural power consumption which, at 37,000 million kWh was 14 per cent more than the 1979 figure.

The new economic policy has clearly not been adopted without debate and even conflict at the top. Semi-official news leaks say that Mr Hua Guofeng, who is expected to step down shortly from his position as chairman of the Communist Party, is being blamed for the setting of over-ambitious production targets which threw the economy into disarray.

Most long-term observers of the Chinese economy feel this is only partly true, in the sense that Mr Hua adhered to the line of Chairman Mao's "Four Greats" in trying to build up a strong heavy industrial sector at the expense of the consumer. Numerous people were responsible for the excessive imports, which last year left China with a foreign debt of £1,447m.

The group around Vice-chairman Deng Xiaoping, Mr Hua's chief political rival, has certainly not been backward in authorizing the purchase of advanced industrial equipment from abroad.

Mr Hua was unlucky in his agricultural policy—a cornerstone of Mao's economic theory and a sphere in which he himself has long been active. The once beloved Dazhai Production Brigade, a model of left-wing experiments and egalitarianism, was denounced as a sham last year and its leader, Mr Chen Yonggu, removed from the Politburo. Mr Deng's agricultural policy—emphasizing less collectivization, more material incentives, rural free markets, diversification and higher prices for crops—has carried the day.

Higher food prices have brought inflation, the existence of which has been officially admitted for the first time. The emphasis on market forces and more autonomy for industrial enterprises has led to widespread price increases, and last year a nationwide price freeze was declared and inspections were begun to bring down excessively inflated prices. Another contributor to inflation, which is thought to be about 6 per cent, has been the indiscriminate payment of bonuses to industrial workers without appropriate increases in productivity.

The widely proclaimed entry of China into world financial markets in search of investment capital has still not taken place, and lines of credit open to it in the big capitalist countries have not been taken up to any significant extent.

Such signs of relaxation as there have been to date have been celebrated in the Western press as Western-style "liberalization". One cannot deny the improvement in consumer goods, the appearance of increased air travel for Chinese and foreigners and the Government's attempts to standardize the social regulation which govern their society.

However, changes in social policy are not necessarily social reforms in the Western sense, leading to greater democracy or individual rights. They have more to do with economic decisions made by the party and state aimed at improving economic stability and, in the end, continued survival of the party.

Dinah Le

### Social reforms

## Single-child families get housing priority

Every year on the banks of the Yellow River, Chinese peasants battle with home-made weapons over the ownership of land uncovered by the river's receding waters. Land disputes like this are widespread throughout China; in Guangxi province alone several hundred people have been wounded or killed in recent years. Small wonder, then, that the Chinese Government is preparing a new land law.

Over the past four years, the Chinese have concentrated on changing social policy, with the result that a new criminal code, marriage law and birth control regulations have already been introduced. But evaluating the success of such social reforms, no matter how welcome, is a relative exercise.

Do you compare the situation with pre-liberation conditions, or with what could, or arguably should, have been achieved after 30 years of comparatively stable party rule? The Chinese is clear: big families go toward social reform, mental illness, sexual deviation (even normal sexuality) are all being broadened, but can appear feudal.

Social changes are also unique in the degree to which political dogma is coupled with coercion of the community to shift behaviour in the desired direction. This process does not always go smoothly, as demonstrated by the "one is fine" birth control campaign that advocates single-child families, had horrific consequences:

Launched in late 1979, the campaign has run into deeply-rooted resistance from the public. In keeping with the new outlook of accounts-keeping, profit-making China, the campaign is backed by economic reward, whereas 10 years ago ideological correctness was reward enough. Parents who promise to have only one child earn for themselves the private plots, food and fuel supplies of a two-child family. They are given housing priority over everyone else.

At the same time, having a third child means the loss of 10 per cent of a family's wage packet and an extra 5 per cent levy for every child after that. The message is clear: big families go hungry while the childless and one-child families live in comparative comfort.

Despite the obvious attraction of a higher standard of living, young women still consider their older friends were lucky to have escaped the policy. In order to have a second child, a woman must run the gauntlet of intimidating interviews with her unit leader and risk the opprobrium of her peers for the chance to take her turn in the unit's pregnancy rota. For the birth of a second child is becoming an act of political defiance.

The determination of one peasant woman to continue a second pregnancy despite the equally strong pressure control campaign that advocates single-child families, had horrific consequences:

She was eventually forced to have her illegal child in the fields, and according to a Chinese press report, the leader followed her and strangled the newborn. In revenge, the mother went to his home and strangled all three of his children with a piece of wire.

Not all of China's recent social policy changes have been so controversial. Sometimes, official policy coincides happily with economic pressure and community practice. For years, all over China, people have "worked the system" through a series of impromptu advertisements pinned on telephone poles and well-travelled corners proposing the exchange of jobs and assignments with others equally well qualified.

In this way, people who would never have been transferred had they relied on official channels, have rejoined their spouses and families in other cities and provinces. Now the Government is considering making these advertisements official, and a rash of essays in the press proposing

the advertisement of job vacancies appeared last summer. The official rationalization was the need for the "interflow of qualified personnel". For the average man, it may mean welcome loosening of the rigid fabric of Chinese society and an important new freedom.

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Dinah Le

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Trade

# Technology bought beyond means

The Chinese trade bubble has not burst, but it has wobbled to an "inflationary" halt. The promise of a few years ago has faded, equipment imports postponed or cancelled, and Peking officials privately concede that the present economic slowdown euphemistically called "readjustment" may last into the mid-1980s.

With an annual value of about \$36,000m, China's trade will continue to be important even during these lean years. But the jockeying by Western corporations for contracts has been so fierce that a great deal of disillusionment is now evident.

To put it crudely, the Chinese were so thrilled by Vice-Chairman Deng Xiaoping's economic alienation that they went out and bought new technological toys and equipment beyond their capacity either to pay for or digest.

British trade with China in the first half of 1980 fell by 23 per cent, while China's shipments to the United Kingdom market grew by 12 per cent. Britain was left with a healthy surplus representing an annual rate of almost 190m.

Many other leading suppliers to China have fared as badly.

The United States is the major exception to the trend, with both exports and imports higher than the year before. But that is partly explained by China's continuing hunger for American farm products, as well as the somewhat exaggerated reputation which United States technology enjoys among Chinese managers. Last year China spent no less than \$2,000m on American wheat, cotton, corn and soybeans.

Some business is still there to be done, especially in such obviously sensible areas as agricultural processing, pharmaceuticals and radio and television.

With the premium on imports of machinery and knowledge, it is only to be expected that China's purchases of steel would fall. In the first half of 1980 Japan, the major supplier, sent only half of what it had been shipping in the preceding six months, and that figure was the lowest half-yearly total for five years.

Feeding 1,000 million Chinese presents a tougher challenge every year, and Chinese caution runs almost to pessimism in the recent oil price venture in return for three quarters of the profits.

China's capacity to import, whether at a provincial or central level, will depend on its own exports. There is no evidence of a big increase

to come, although China's official statistics show a 27 per cent increase last year to reach \$18,000m. Since imports were only 15 per cent, the visible trade deficit was cut to only \$530m.

Of these total exports, however, the traditionally lucrative farm products and light industrial goods provided a smaller share than usual. The biggest increases were in heavy industry and minerals, and higher world oil prices were an important factor.

With imports there was a marked switch in 1980, the agriculture-related and light industrial categories jumping some 25 per cent of the total.

Textiles have run up against the walls of protectionism in Western markets. The Americans, for example, found that China delivered over a million woollen sweaters to their market in one month alone last summer, so restraint was demanded. China faces certain limits to its earnings from this industry, although the ranks of potential markets for really cheap clothes go on swelling.

Shanghai alone now ships more than \$1m-worth of handkerchiefs a year to Argentina and Chile.

Other ways of earning foreign exchange are being pressed. To woo the foreign tourist, Coca-Cola and cosmetics (first Max Factor and now Shiseido) are being imported. New ways of squeezing money out of the overseas Chinese are surfacing, from issuing credit cards to selling grave sites at \$1,000 a time.

The export of labour, on the pattern pioneered by South Korea in the Middle East, could also prove profitable.

China furthermore is hoping for substantial aid credits from the World Bank and United Nations agencies. A loan of \$10,000m over five years, specifically to restore China's transport system and reequip its universities, is being talked about.

In these ways the Chinese expect to operate a healthy foreign trade over the next few years, with small deficits covered by modest credits or invisible earnings. Their own exports will become more varied and advanced, while their imports will see the small and the second-hand in better balance with the glamorous complete plant which does not always graft successfully to unfamiliar soil and conditions.

Dick Wilson

The law

# Restoring faith in the judicial system

The recent trial of Jiang Qing, Mao's widow, and her colleagues for counter-revolutionary activities was hardly the best advertisement for China's new system of criminal justice, established just over a year ago.

It was, in the main, a political show-trial. Even so, the accused had not been "broken" beforehand, and they did not make the false confessions that are usually the hallmark of such proceedings. They were entitled to lawyers of their choice. They could, and did, cross-examine witnesses and make statements and speeches. Moreover, the trial was to some extent public, and many millions of television watchers were able to watch Jiang Qing put up an extremely spirited defence.

The essential that was lacking was any indication that the verdict had not been predetermined. As show trials go, however, it was perhaps closer to Nuremberg than to the Russian trials of the 1930s.

It was probably inevitable that a case of such fundamental importance to the political structure of the country would be distorted, and it would be unfair and unfortunate if the "Gang of Four" trial were taken as a typical example of the direction being taken by the Chinese legal system. The reality is more encouraging, starting from a base of appalling chaos, the Chinese are attempting the daunting task of building up a fair and coherent system to govern a wide range of legal matters.

Up to 1977, for nearly a decade and a half, there was no effect on legal system. China was a lawless society; the whim of the ascendant faction was paramount and the laws that had previously operated were jettisoned.

Lawyers were among the first to suffer from the political upheaval. Branded as elitists, intellectuals and counter-revolutionaries, most of them were sent to work in factories or on the land, and even those who escaped that treatment could no longer work as lawyers.

The law faculties in the universities were either abolished or became severely limited in what they could teach. There were no law graduates, and no legal textbooks were published. It is only in the past four years, since the overthrow of the "Gang of Four" that it has become possible to try to restore some form of legal order.

There are three elements in the present policy of the Chinese Government: first, to draw up new laws; second, to establish a core of lawyers, judges, administrators and other legal or para-legal persons; and third, to educate the people to understand and appreciate the law and to have respect for it.

The first is being achieved through the adoption of a number of new codes, the first seven of which came into force last year. They deal with criminal law, criminal procedure, people's courts, people's procuracies, joint ventures, electoral law, and people's congresses. These are being followed by codes on civil law, civil procedure, taxation, corporation law, patents, and marriage and divorce. Interestingly, many of the codes are based on examples from Western countries and Japan.

Producing enough lawyers to participate in the system is more difficult than merely passing the laws. With the batch of lawyers who have only just emerged from the law schools, the youngest lawyers in China are aged about 30. Many of those who practised before the cultural revolution are dead. Others are too old to resume their profession or do not wish to do so. It will take many years—probably more than a decade—even to reach the number of lawyers who were active in

Marcel Berlins  
Legal Correspondent

Foreign relations

# Year of advance in global engagement

Last year was not one of dramatic or measurable change in China's relations with its enemies or its friends. What did show a significant advance was the country's engagement with the world in a way that offers more grounds for confidence in its future.

Afghanistan might have been thought enough to ensure that China's hostility to Russia was given a new impetus. So it was, in denunciation and confirmation of China's view that the Soviet Union was roosted expansionist, but China's involvement in the matter of warfare fell far short of what Russian suspicion constantly alleged. Relations remained cool and no serious border conflict developed.

The same could not be said of Vietnam. Talks between the two countries were cancelled on the Chinese side in March. In July there was trouble on the border; in October cross-border raids, in November and December artillery fire, each side blaming the other. Vietnam's belief that any withdrawal of their part from Kampuchea would certainly mean the substitution of Chinese domination in that luckless country was untouched by Chinese denials.

The wish to improve relations between India and China has often been expressed from both sides. But whereas in 1979 China's invasion of Vietnam sent the Indian Foreign Minister hurrying back to his country, so in 1980 India's recognition of the Hang Samrang Government in Kampuchea prompted the Chinese Foreign Minister to cancel his intended visit. This took matters back to square one and revived memories of 1962.

Friendship did not get much warmer either. In an American election year President Carter had nothing to add, if anything he was on the defensive for having treated Taiwan rudely. China was alerted to danger by Mr Reagan's off-the-cuff comments on that island in August. Mr Ray Chene's even braver return from Mr Huang Hua's visit to ASEAN countries in the spring or from Mr Lee Kuan Yew's trip to the well-disposed General Prem Tinsulanond of Thailand did not get much easier. Mr Carter's attempted use of his peace-keeping mission in the Middle East to rescue the hostages from Iran, certainly no more diverted from his view of the matter than all the other visitors from Europe who had preceded him. Naturally enough, the Japanese are made a little anxious lest China's hostility to the Russians should impinge upon them an equal hostility, with a country they have found it hard to get on with. But this risk was also not increased in the past year.

It should have been obvious by now how sensitive an issue Taiwan is to all Chinese who remember 1895 (China's defeat by Japan and cession of Taiwan) which perhaps American presidents do not always do, not to mention the Dutch who met a sharp reaction to their willingness to sell two submarines to the Government in Taipei.

Among neighbours China might have hoped for a better return from Mr Huang Hua's visit to ASEAN countries in the spring or from Mr Lee Kuan Yew's trip to the well-disposed General Prem Tinsulanond of Thailand did not get much easier. Mr Carter's attempted use of his peace-keeping mission in the Middle East to rescue the hostages from Iran, certainly no more diverted from his view of the matter than all the other visitors from Europe who had preceded him. Naturally enough, the Japanese are made a little anxious lest China's hostility to the Russians should impinge upon them an equal hostility, with a country they have found it hard to get on with. But this risk was also not increased in the past year.

China has consistently supported negotiation and never sought to justify Iran's breaking of diplomatic rules. The Chinese are sticklers for them. Similarly the Iran-Iraq war has been deplored as an unnecessary disturbance of the peace; a compromise should be sought.

These are all different attitudes from those that Mao made familiar in the past. As for deeds, they may be instructed, too, as a mark of China's change. In Tokyo early last year Mr Li Qiang, Peking's Minister of Trade, told the Japanese that China was ready to "adopt all the practices generally acceptable in world trade", a message that could be translated into an engagement to world peace, at least in the small but significant way of joining in at the United Nations.

Since China was elected to that body in 1971 in place of the rival government in Taiwan, Peking's attitude has been cautious, hesitant, sometimes suspicious or doctrinally inhibited, never as committed to the United Nations and its purposes as a country with so strong a tradition of peace-making might—given a weakening of its Marxist view of the world

Richard Harris

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Education

Schools are 'streamed' on hierarchical lines

The Chinese education system has emerged battered and shaken from the Cultural Revolution. Teachers are trying to regain the prestige they enjoyed in the early 1960s, while schools and colleges settle back into the buildings they lost to other organizations during the closure of all Chinese schools from 1966 to 1969. The People's Daily has called for a redistribution of investment away from heavy industry and into the schools and universities, and has pointed out that "without trained personnel, material construction will be unsuccessful".

When schools reopened in 1969, they were told to carry out a revolution in education by training a new generation of proletarian fighters well versed in the evils of revisionism and the criticism of Lin Biao and Confucius. Strident propaganda praised model pupils like Huang Shuai, who argued with her primary school teacher over ideological matters and became headline news in the national press. Examinations were banned, and teachers privately complained that classroom discipline was breaking down.

Today the Chinese education system is organized along strictly hierarchical lines, and the egalitarian rhetoric of the Gang of Four is heard no more. Instead, various types of schools have been designated to deal with various groups of students: key schools for the academically gifted, ordinary full-time schools for average pupils whenever possible, and "part-work" schools in poorer, mainly rural areas where state funds

are insufficient to provide universal education.

Lying behind the transformation of the education system in the past two years is the regime's conviction that the distance which separates China from the developed world matters far more than the distance which separates the country's backward areas from the big towns. The national effort is directed at modernization of the economy, and schools, too, are expected to produce students who have mastered the skills the country needs.

The emphasis is no longer laid on improving schools in poor areas until they reach the standards of urban schools. Today the hierarchical division of each sector of education into "key institutions" and others is the pivot of official policy. Entry to key schools is limited to successful candidates in stiff tests. The examinations increase in difficulty as pupils move up through the system, until fewer than 5 per cent of middle school graduates gain places in institutes of higher education.

Since resources are limited, the key schools have priority throughout, to staff, buildings, money and equipment. These are key schools at national, provincial and local levels, each enjoying precedence in allocations of funds from the parent bodies (the Ministry of Education, provincial education bureaux or county education offices). Naturally, there is intense competition for places in national key schools and universities, and a predictably large number of places go to children from intellectual and professional families. In universities, the days of positive discrimination

in favour of "worker-peasant-soldier students" have gone.

Young people today study furiously for entrance examinations, fully aware that admission to university is the first step towards a successful career. University courses which were shortened to an average of three years in the early 1970s have been restored to their pre-Cultural Revolution length of four to five years. Academic titles, once denounced as "bourgeois symbols of intellectual thirst for power", have been reintroduced across the board, and the practice of awarding degrees is soon to begin again. There has even been talk of allowing universities to conduct their own entrance examinations and to expel unsatisfactory students. Academics, while welcoming these moves to grant them more control, watch cautiously as the state loosens its grip on one sector of the educational system after another.

All this is a far cry from the university recruitment procedures of the early 1970s, when candidates were required to have spent at least two years after middle school "learning from the poor and lower-middle peasants" as part of the "down to the countryside" movement. At that time, recommendation by workmates followed by endorsement from the local party committee gave a candidate the right to be interviewed by university recruitment teams which toured the country in search of students who met strict ideological standards.

It was impossible for the universities to conduct even basic general knowledge tests on prospective students, since this would lead to the charge that they were "putting marks in command" instead of upholding the dictatorship of the proletariat in the educational realm. The result was that many university classes were at a level better suited for middle school pupils; teachers who had already suffered considerable physical and mental distress were asked to teach courses which they regarded as insulting to their professional competence; and morale in the university departments never recovered from the damage done by factional disputes during the Cultural Revolution.

The present regime has done a great deal to improve the atmosphere in the staff rooms, not least by leaving teachers to get on with their teaching. Instead of organizing long spells of "open-door schooling", when classes left campus for weeks at a time to live, work and study in factories or in the countryside, schools and universities now ensure that students spend most of their time studying. Manual labour and political meetings, which used to occupy so much time that academic work suffered, have been considerably reduced.

During the Cultural Revolution, Chinese schools were so vigilant in guarding against elitism that the quality of education was pushed into second place. Press articles gave warning that intellectuals were resisting the party's efforts to reform their outlook and insisted that working class control of education was necessary to guarantee a reliable generation of "revolutionary successors". Today this concern over

the social implications of educational policy has been replaced by an obsession with the economic effectiveness of China's schools. Deng Xiaoping is as unmoved by the elitist implications of the key school system as were the Cultural Revolution leftists by the damage done to academic standards during the worker-peasant-soldier years.

The reversal of Cultural Revolution policies could hardly be more complete. Even the aim of achieving universal primary education in rural areas seems to have been shelved until conditions are appropriate. A network of part-work, part-study schools has been reestablished in country areas where the state is unable to finance full-time schools for all, and many non-key schools are beginning to change their curricula to include more technical subjects. These policies recognize the reality that few country children (or town children who fail to enter key schools) are likely to proceed to higher education, but they also make the streaming of the Chinese education system more rigid at each stage.

It is easy to see why the present policies have been adopted and to sympathize with a regime struggling to make up for lost time. But resentment against key schools is certain to grow if the present policies continue unmodified throughout the 1980s. Only through a rapid development of correspondence courses and the new but immensely popular Television University can the educational ambitions and needs of China's younger generation be met.

Beth McKillop

The arts

Nostalgic indulgence in the past



Literature of the Cultural Revolution has been described as "immaculately conceived" since individual writers could expect little in the way of personal fame or financial gain and indeed they hardly existed, either writing as part of a team or hiding behind pseudonyms. It might equally well have been described as test-tube creation for all artistic creation was governed by regulations.

The desired result was to produce works which "present in a healthy way a revolutionary content, exalt with deep and warm proletarian feelings the Great Chairman Mao; exalt the great, glorious and infallible Chinese Communist Party". Writers had to eschew such "bourgeois concepts" as the complexity of the inner mind and human interest, which was no good because it connected people along lines other than those of class, and which, above all, followed the rule of prominence whereby the hero was indisputably and infinitely superior to class enemies. Anyone who tried to ignore these regulations would never get his work published and would probably be imprisoned.

Such rules were most strongly felt in literature but extended to the visual arts where painters ignored at their peril directives to avoid "paintings of lemons, cherries, dead fish, girls with flowers and similar trash". The medium was not subject to such restrictions, and Western oil could be used alongside the traditional monochrome brush style as long as the content conformed.

Traditional art forms continued to flourish but paintings of misty mountains always contained a line of electric pylons, and peasants working in paddy fields instead of hermits drinking wine in rustic retreats. Traditional new year prints pasted on doorways at spring festival still depicted fat babies but when the Gang falls, and her mother is reinstated, she realizes her mistake and rushes home. She arrives as her mother expires but the

gloom is slightly relieved by a young man who managed to get there before her mother died and who will help to heal her "wound".

"Wound painting" is exemplified by Hao Meilin's soft portrait of his dog which was clubbed to death by Red Guards. There has been some criticism of "wound literature" as unhealthy and pessimistic and, perhaps, because it reveals to the outside world too clearly the horrors of the recent past.

In denouncing the Cultural Revolution, cultural authorities find themselves in a difficult position for it may seem that there are now no rules. This is not the case, for the most recent meeting of the National Congress of Writers and Artists (autumn 1979) concluded that "socialist literature should first of all eulogize the people and meritorious individuals".

Letting 100 flowers bloom does not mean blossoming merely for the sake of blossoming, or taking a laissez faire attitude; it means blossoming for socialism". Thus the goal is firmly established but there is still argument about the means.

The confusion felt by writers and artists must be increased by the baffling mixture of foreign imports including exhibitions of Primitivism and Cubism, cinema showing *The Great Dictator*, Olivier's *Hamlet* and a puzzling film in the land of a million bicycles, *Convoy*. The *Man from Atlantis* on television and pin-up photographs of Gina Lollobrigida in a state of undress sold in Peking's main shopping street. There has also been a production of *Guinness's Coming to Dinner* with an all-Chinese cast.

A further complication of the reversal of Cultural Revolution strictures has been the expansion of unofficial art and literature. Private circulation of literature and art went on during the Cultural Revolution but recently, in accord with calls for greater political freedoms, unofficial artists have sought official recognition. On rare occasions, works of merit like the futuristic

political allegory *Peking in the year 2000* (featuring the return of the dreaded Gang) have made the transition from unofficial to official publication.

Sadly, not many unofficial works are so lucky, although not all of them are so good. An unofficial art exhibition at Democracy Wall included some terrible paintings by a young man who claimed that the Gang of Four had prevented him from going to school. They may have been right but his sense of injustice and hope for a new chance, characteristic of the young people depicted in "wound literature", represent a problem for the tentative authorities in culture.

After the reprints and "wound literature" there are finally signs of new developments, particularly in the work of Shen Rong, a woman who writes powerfully of the abuse of dedicated professionals and of the problems of working women, and in the more popular writing of Zhang Yang. His best seller *Again I Clasp Your Hand* contains all the current favourite themes of unrequited love, the return of patriotic overseas Chinese and dedication to scientific work.

These themes reappear everywhere, in a ballad where a girl in a leotard wraps herself round Bob's model, in the new genre of socialist science fiction where overseas Chinese scientists make discoveries for the motherland and in films such as *Love on Lushan Mountain* where a dedicated architect loves an overseas Chinese girl with an amazing wardrobe and the ability to climb mountains in high heels.

These ideas represent culture's contribution to modernization both in the incorporation of the outside world through the acceptable mediation of the overseas Chinese and through the fact that the hero of the 1980s is no longer a worker or a peasant but a scientist.

People buying opera programmes in Peking.

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These ideas represent culture's contribution to modernization both in the incorporation of the outside world through the acceptable mediation of the overseas Chinese and through the fact that the hero of the 1980s is no longer a worker or a peasant but a scientist.

Frances Wood

Some tightening of screw likely in post-Mao era

continued from page 1

Guidance and settlement of contentious issues. It is thought likely that the party will be trimmed down from its present membership of 38 million, and doubtless many cadres who joined during the leftist upheavals of the Cultural Revolution will be removed from the rolls unless they fundamentally change their attitudes.

The villains of much fiction and drama today are former Red Guard leaders who try to ingratiate themselves with their erstwhile victims — honest officials returning from a decade spent in jail or down on the farm. Former landlords and capitalists are no longer cast as villains, since it is recognized that they have suffered enough.

Experienced bankers and traders who were thrown out of their jobs in the late 1960s have been compensated and begun showing up again to negotiate trade deals with foreign companies. China does not have so great a pool of expert knowledge that it could possibly have gone on without Mao's persecution of specialists, technicians and intellectuals.

The cult of Mao's personality — denounced as "modern superstition" — has been abolished, with his huge statues in many places being pulled down, or sawn up into manageable chunks for disposal. Even the revered "former prime minister, the late Chou En-lai, is no longer the object of a posthumous cult. Mao's

successor as party chairman, Mr Hua Guofeng, showed signs of creating a cult around himself, but it was a failure and he is expected soon to be out of office.

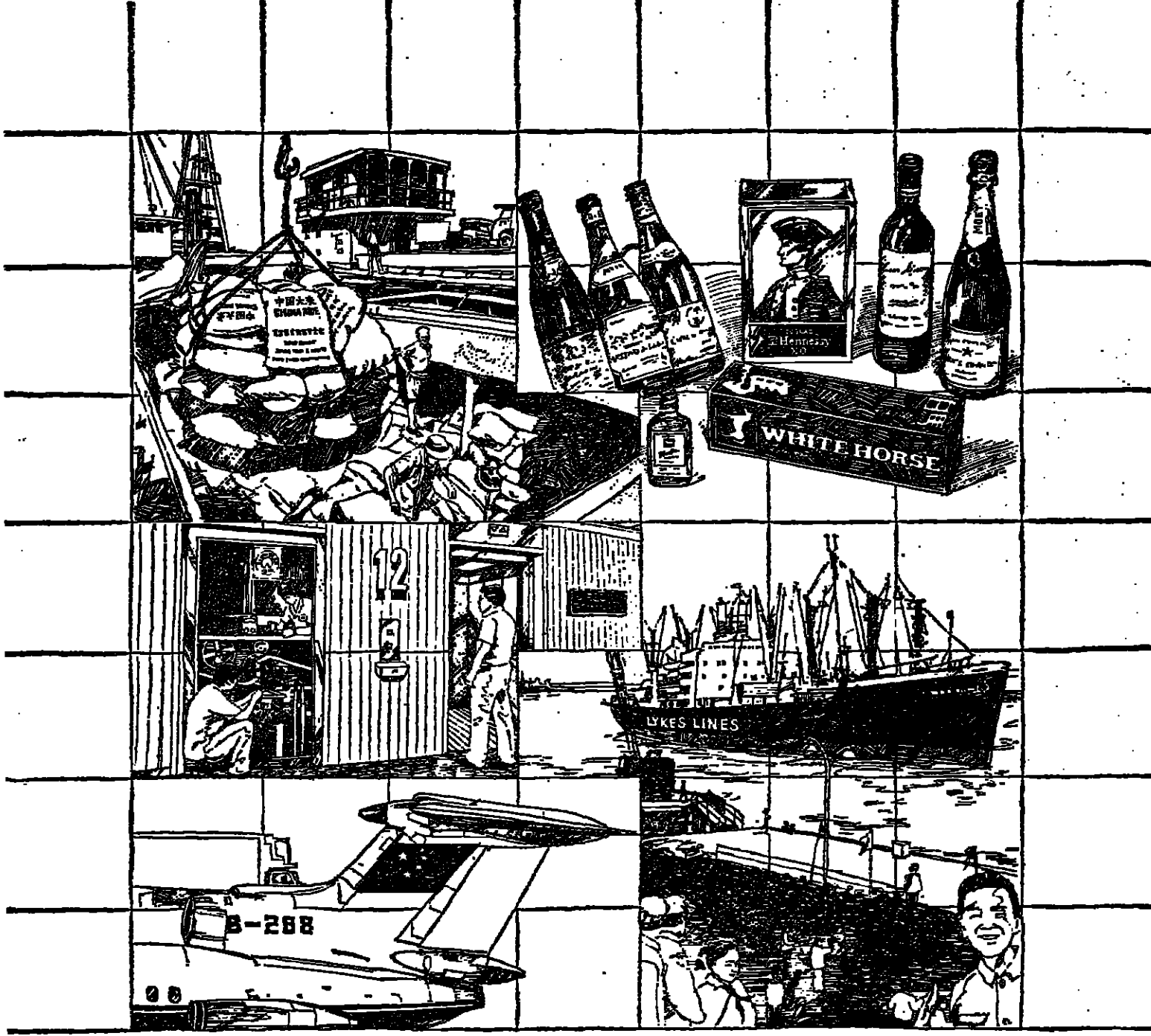
Efforts have been made to turn the National People's Congress into something more resembling a parliament, but it meets too seldom to exercise genuine authority. It can act mainly as a way of letting off steam and venting complaints, as well as a means of honouring outstanding people not necessarily members of the party. A "united front" policy is in effect, and small political parties without any Marxist ideology have been revived, if only for show.

Liberalization, as is to be expected, has been accom-

panied by a rising crime rate, alarmingly visible among juveniles and unemployed young people. Foreign students have been robbed quite often in Shanghai, and there are reports of a rash of terror bombings.

It may be that crimes are now being reported which previously were kept under wraps, but it is clear that the police are very busy and by no means in control of the situation in some places. This is one of the prices a country pays for greater freedom, and so far the leaders show no sign of considering the price too high for without liberalization China can show little scientific, intellectual or economic progress.

David Bonavia



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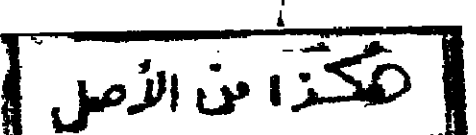
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## THE FIFTH PROPRIETORSHIP

The Times has a new proprietor, Mr Rupert Murdoch. His is the fifth proprietorship in the history of the paper. By far the longest was the proprietorship of the founding family of John Walter which lasted for more than a century. That was followed by the proprietorship of Northcliffe, which was in its turn followed by that of the Astors and by the Thomson proprietorship which is now at an end. Each of these ownerships has made its own major contribution to the paper. The Walters, after John Walter I, a failed Lloyds underwriter, had seized the opportunity to provide an unsurpassed coverage of the French Revolution, created *The Times* as a great Victorian institution with a combination of Victorian efficiency and Victorian thoroughness and the Victorian conscience. The reputation and the character of the paper dated from their time and in particular from the long Editorship of Delane, from 1841 to 1877, the greatest of the Editors of *The Times*.

### Period of stability

Northcliffe bought *The Times* after a period of decline. He infused it with his own demonic energy and he completely reorganized the commercial side. He was, however, always in conflict with the spirit of the paper which resisted the propaganda inherent in his method and the excited exaggeration and distortion which is inherent in all propaganda. In his last years, Northcliffe was not in his right mind and after the experience of Northcliffe the Astor proprietors provided an honourable stability.

The Astors were the least commercial of proprietors, not seeking to profit from the paper and simply wanting *The Times* to be conducted as a service to the nation. By 1966, commercial conditions had made it impossible for any private family to carry on a newspaper on this basis. At that time, Roy Thomson was the leading proprietor of Fleet Street. He aimed to protect the future of *The Times*, which he did not expect to be a profitable undertaking, by merging it with *The Sunday Times* and *The Daily Mirror*, by reorganizing its commercial management.

Roy Thomson was a business man of remarkable gifts. As a proprietor, he was extremely generous to *The Times*. He gave us consistent and strong support and exercised a shrewd and powerful commercial judgment. Although he was a great newspaper man and owned two hundred or more newspapers, he understood newspapers from the commercial and not from the editorial side. He was also an almost incredibly successful business man, making his final fortune in oil, worth several hundreds of millions of pounds, when he was in his eighties.

The death of Roy Thomson in 1976 marked the beginning of a period of crisis for the paper which has lasted to this day. There have been several strands to the crisis. Kenneth Thomson, the second Lord Thomson of Fleet, continued his father's policy of generosity and support for the paper, but had an attitude to the paper which was in some ways closer to that of the Astors than to his father's. His own main interests were, increasingly, in his home country of Canada, where he has greatly

expanded the business interests of the Thomson family both in newspapers, such as *The Toronto Globe and Mail*, and in the very major acquisition of control of the Hudson Bay Company. His attitude towards *The Times* was that of the honourable trustee. He had a great sense of responsibility towards the paper, but as we lurched from crisis to crisis, all springing from bad industrial relations, the burden of the responsibility became heavier and heavier. In the last four years, neither owning nor managing *The Times* has been much joy to him.

In 1976, it was already clear that *The Times*, with its massive setting requirement, needed to be brought on to the new electronic composing room equipment. This added to the stresses which already existed with the trade unions. *The Times* was substantially overmanned, as was *The Sunday Times*. Unless levels of manning could be reduced and the new technology brought in, the company would not survive at a profit and in most years was certain to make significant losses.

The relationship with the unions had become steadily worse and there were frequent disruptions of production, particularly on *The Sunday Times*. The attempt to negotiate a major set of reforms broke down in 1978 and was followed by nearly a year's suspension of both papers. Within a year of that suspension coming to an end, it had become apparent that so much damage had been done to the industrial relationships inside the business that it could not be put right under Thomson ownership. Kenneth Thomson's decision to sell the papers followed his recognition of that fact. It was a sad conclusion to a proprietorship to which *The Times* owes a great deal. It was a correct decision, but it was one made with great regret on both sides. The successful negotiations between Mr Murdoch and the unions have largely achieved what the Thomsons were not able to achieve between 1978 and 1980.

### An act of courage

The first thing to be said about Mr Rupert Murdoch's ownership of *The Times* is that his decision to take on our problems was an act of considerable courage. He is now, as Roy Thomson was in 1967, the leading active proprietor in Fleet Street. There have been in this century, four men who have transformed Fleet Street by their ownership of newspapers. The other transformation, that achieved by the modern *Daily Mirror*, was the result not of individual ownership but of a combination of two or three remarkable men. The four most important proprietors have been Northcliffe, Beaverbrook, Roy Thomson and Rupert Murdoch and three of the four have been proprietors of *The Times*. It is in that sense that the challenge which lies ahead of Mr Murdoch that neither Northcliffe nor Roy Thomson, though they both made a great contribution to the development and continuity of the paper, managed to solve its commercial problems. If Mr Murdoch does resolve those problems, he will have achieved something which has defied the masters of his craft. Mr Murdoch stands somewhere

between Northcliffe and Roy Thomson in newspaper ownership. Northcliffe was an editorial genius who created great wealth through his newspapers but left most of the business management to his brother, the first Lord Rothermere. Roy Thomson was a business man. The first thing he would do with a newspaper was to count the columns of advertising. He had a strong sense of the need for the editorial side to be responsible, and of course he wanted it to be attractive, but he did not regard himself as in any way expert in the editorial field. Nor did he attach much importance to his personal views on public affairs. Rupert Murdoch comes from a newspaper family and has always involved himself in the editorial character as well as the commercial efficiency of his papers. Yet he is also very much an international business man, fascinated by the problems and opportunities of managing and financing a worldwide group of companies. He is neither as much the pure editorial newspaper man as Northcliffe, nor as much the pure commercial newspaper man as Roy Thomson. He is, however, very obviously a man in love with newspapers, a newspaper professional but even more a newspaper romantic.

### Assurances of independence

The assurances of editorial independence which Mr Murdoch has given are very far reaching and there is no reason to doubt he will abide by them. There is also no doubt that he will want to make a contribution to raising the level of *The Times* and *The Sunday Times* as newspapers. There is always an opportunity for that. The task of a daily newspaper is by definition impossible. It is necessary, three hundred times a year, to produce a complete and accurate, yet stimulating and interesting account of the previous day's news, accompanied by serious comment and opinion and by other elements of information and entertainment. Inevitably, newspapers have periods when they are operating less than perfectly in one area or another, just as a day in which the newspaper has been charged with energy and effectiveness may be followed by a day in which the news is rather dull and the sails fall against the mast.

There can never be too much thought put into a newspaper nor can there ever be too much energy put into a newspaper. It is essential that a proprietor should leave the ultimate independence and integrity of a newspaper to the Editor. A proprietor should, and Mr Murdoch will, leave it to the judgment of the Editor of *The Times* at the next election, whether to support any or none of the parties that put themselves forward. Nevertheless *The Times* is likely to benefit, and not only commercially from having new energies thrown into it in what is always a struggle to achieve an unattainable standard. Certainly, the editorial staff look back with gratitude to the support the paper has had from the Thomson family as they still do to the Astors. They also look forward, with relief and eagerness, to the new proprietorship of Mr Murdoch, which they believe holds out great hope for the future of the paper.

### Childbirth at home

From Dr S. J. Ware  
Sir, I was surprised to read Dr Garrow's views (letter, February 2) supporting those who advocate more childbirth at home, and I would guess that the minority among paediatricians. The question of home deliveries is a vexed one, and most obstetricians and paediatricians are bound to hold views different from those of patients. If the chances of an unexpected disaster at home leading to a brain-damaged infant, which could have been prevented in hospital, are, say, one in several thousand, the paediatrician's point of view is very small and may reasonably be disregarded by her.

To the paediatrician however, the one-in-several-thousand chance is an eventual certainty as he will have responsibility for thousands of newborn every year. The risk is hard to quantify, and will not be found among the available statistics, but most of us see such children in our clinics. Clearly, "humanisation" of the maternity hospital process, as suggested by Mrs Short's committee, is the best compromise. Even such a momentous event as the birth of a new baby inevitably loses its thrill for staff who deal with it 10 or 15 times a day: many units are understaffed which may make it harder to apply the important personal touch. Nevertheless most of us are taking active steps to try and make our maternity departments less like sausage machines.

Perinatal services, particularly medicare, are not as comprehensive in some areas as we would like to be. But one has to balance the distress to the mother, separated from home and family at this most vulnerable time, often for a week or more in hospital, against the risk of preventable perinatal damage to the infant, which, though rare, constitutes a life sentence for child and parents alike. Yours sincerely, STEPHEN WARE, Basildon Hospital, Netherhamme, Basildon, Essex.

### Question of change in remand rule

From Lord Gardiner, CH.  
Sir, Ministers have been assuring us that the suspension of the eight-day remand rule has been working satisfactorily, but when asked for evidence of this have confessed that there is none. They do not know how often unrepresented people have been remanded in custody or to what extent defendants are now being held for longer periods than previously. Information on these matters must be made available before any permanent change in the law can be rationally discussed.

For the moment it seems that in accordance with their best traditions the Home Office are telling us all must be well because they know better than we do. They are unlikely to hear from defendants held for weeks at a time in police cells, but Mr David Roberts' letter (February 5) now makes it clear that the Impartialment (Temporary Provisions) Act is adversely affecting the situation and rights of the individual prisoner.

In 1972, the House of Lords debated (Hansard HC) vol 335 no 133 col 1322-330) a proposal to allow represented defendants to be remanded in custody for three weeks at a time. I argued then that this would be very convenient to everyone concerned, legal process—the courts, lawyers, and police, to everyone in fact except to the untried prisoner himself. For him, as the statistics clearly showed, the eight-day rule represented a real hardship.

On a free vote the Lords overwhelmingly defeated the proposal to erode the eight-day rule, and the present (and then) Lord Chancellor was among those who voted to retain it. I do not think the arguments have changed since then.

Yours sincerely, GARDINER, President, Howard League for Penal Reform, 169 Clapham Road, SW9.

### Centre party views

From Mr N. P. Myles  
Sir, Although I generally share your political viewpoint, your leading article (February 10), "The sooner the better", prompts me to profound disagreement.

It is not a question of Mrs Williams, nor indeed of any personality. The tenor of your article suggests that the Labour Party is a "times muddled" approach represents the type of leadership which Britain wants. It may be what the British people think they would like, but it is not what they need. The politics of compromise, of striving constantly for the common denominator, served well enough when the country's problems were relatively manageable. In the face of world recession, soaring oil prices and a continuing foreign competition it is manifestly not only inadequate but disastrous. How can the chronic problems at the heart of Britain's decline, the lack of competitiveness, inefficiency, restrictive practices and the like be overcome by a politics of compromise of friendliness, of fair dealing, of balance?

This is a world where millions of people starve for lack of resources, and fairness and indecision are not rewarded. Constant compromise is not a virtue and if it is to be a virtue it is only because it is a necessary evil. The politics of compromise can only become effective or relevant when these great problems have been overcome. You are adopted by all British governments since the last war, laudable as it may be in appropriate circumstances, in the final outcome has failed the country. Perhaps we shall never do better, but at least we shall be trying. Yours faithfully, N. P. MYLES, Broadhouse, 64-65 Grosvenor Street, W1.

### Stability in Grenada

From Mr David de Gile  
Sir, Congratulations on Jeremy Taylor's objective and encouraging report on Grenada (February 6), drawing attention to its hard working left-wing government's brave attempt to set up a new social and economic balance for this remarkable as well as beautiful West Indian island.

Though the "anglophone prime ministers" of the Caribbean may be ignoring the fact that there seems to be a degree of quiet support for him amongst the remaining old establishment "anglophones" in the island—something that could never have been said in the days of Sir Eric Gairy's government.

And it is relevant to record publicly that when, in February 1980, our family estate was perpetually taken over by a military coup and the remnants of the People's Collective Farm, government support was immediately forthcoming for the manager's protection and the estate was returned (eventually) to normal working conditions.

It is by judicious, well-regulated behaviour that Mr Bishop—like Mr Mugabe—hopes to transform his small nation into a homogeneous structure of living communities. His problem perhaps—as elsewhere amongst the ranks of those persuaded or forced to move far from the broken native happiness, the need for life, the quality that one always associates with Grenadians. The neighbouring "anglophone" prime ministers can put to patent signs that Mr Bishop and the PRG (People's Revolutionary Government) are losing some ground here; but they are hardly helping him (or themselves) by their intransigent attitude.

If they showed even a degree of indifference, rather than hostility, Mr Bishop might in time be enabled to strike a balance between an extreme leftist and a more neutral alliance—a position, incidentally, that many believe would have been natural to him and the PRG, had they been better received and supported by the British and American governments at the outset.

Yours, etc. DAVID DE GILE, Denford Hall, Saxmundham, Suffolk.

## LETTERS TO THE EDITOR

### Dangers of British ambiguity on Ulster

From Mr B. S. D. Graham

Sir, Your editorial comment on the display by "Paisley's mounted foot" (February 7) correctly highlights the dangerous state of tension which now exists in Ulster as a result of the Prime Minister's refusal to elucidate what was agreed between himself and the Irish Prime Minister in the December summit meeting. It is a pity that the political career has been built by exploiting such fears in the unionist population of the province. In view of the actions of previous British governments we have the right to be suspicious; how much more when the Government is acting in collaboration with a man who came to power in his country on the back of the militant republicans in his party.

If political cooperation between British and Irish governments is going to lead to better security on our common land frontier it would be welcomed as much in Belfast as in London and Dublin. But we in Ulster are entitled to question the sincerity of the British Government in implementing whatever new security agreements were made between our Prime Minister and Mr Lynch in September, 1979, and Mr Haughey in December, 1980.

IRA terrorists still seem to escape with impunity into the Irish Republic; they still mount many of their operations from the Irish Republic; they still march their arms in the Irish Republic; they still do their training in the Irish Republic; and, at least, 50 known terrorists are "hiding-out" in the Irish Republic.

Of course there have been a few well-publicised arrests in the southern side of the border. But why is it so seldom that anyone is arrested in connexion with such finds? Is it the case that some of the finds have been old IRA stock, rather than anything new? Or is it the current campaign? The only way in which the Irish Government can show their sincerity is to agree to the extradition of terrorists found within their jurisdiction. The extra-territorial court method which they proposed in 1975 has not shown to be totally useless, as was predicted at the time.

What, then, were the undertakings extracted from the Prime Minister in return for the spurious promises from the Irish Government? For instance, did the Irish Government agree to the withdrawal of the SAS (Special Air Service Regiment) from the border areas in return for the Irish Government's agreement to a frontier air corridor? Whether or not this is so, speculation in Ulster alone these lines will continue so long as the Prime Minister refuses to be more frank in her dealings with the House of Commons.

Fears abound in Northern Ireland that the province is about to be betrayed. While the British Prime Minister exploits them for his own ends, most unionists would like to trust Mr Thatcher for they admire her in so many other respects; they would like to trust

### Care for the environment

From Lord Craigton

Sir, Your report (February 4) on the publication of the European Communities Committee report, *Environment Policy*, is very significant. As you say, the Brandt report and the world conservation strategy have in some countries begun to make people rethink the ways in which they relate to their environment. CoCoCo (Council for Environmental Conservation) strongly supports the suggestion that Europe should prepare a strategy for conserving its environmental resources.

The commission already has an impressive record of achievement in this field, but few people are aware of this. Two of the most welcome advances have been the recent ban on general import of waste products and the Directive on the Conservation of Wild Birds, which comes into effect next month, and in which Stanley Cramp, CoCoCo's former vice-chairman, played such a significant part. At the same time, the destruction of migratory birds, outlawed throughout Europe. Furthermore there is provision for the enhanced protection of habitats. This is of particular concern now that we are debating the relevant Bill and I was most encouraged by the terms of your leading article (February 2).

### The Church and divorce

From Bishop Mervyn Stockwood

Sir, Your Religious Correspondent, Mr Clifford Langley, in his article on the remarriage of divorced persons (February 6) writes "The rule forbidding the remarriage of divorced persons by the Church of England is unlikely to be successfully challenged in the foreseeable future". If Mr Langley is equating the word "rule" with "law" he is wrong. As the Church of England is the established Church it cannot make laws that are contrary to the law of the land.

The facts are: 1. A priest may marry a divorced person if his conscience so dictates providing that the conditions pertaining to all marriages are fulfilled. Although the Church has expressed the wish that a priest will not avail himself of his legal right, the decision is his, and his alone. 2. Although he is not required to do so, a priest may consult his bishop and he will doubtless treat episcopal advice with courteous consideration, but the bishop cannot insist. Why? Because the bishop can only demand obedience in "all things lawful and honest". It is not against the law to marry a divorced person.

The "conscience clause" that was put into the relevant Act of Parliament was for the benefit, not of those who wished to marry divorced persons, but of those who felt conscientiously unable to do so. The most that the General Synod can do is to accept without criticism those priests who avail themselves of their legal rights. For instance, I have married divorced people from time to time and may do so in the future, but I have expressed that my actions have not had the goodwill of the Church at the official level. Mr Langley suggests that the

assurances of *The Times* and other friends and defenders of the Union. But if there is nothing to hide, why the secrecy?

When Lord Haughey was in opposition he told us about "electronic dictatorship". The Lord Chancellor would do well to instruct the Prime Minister on what he meant before the next answers to questions in the House on the Dublin summit. Yours sincerely, E. S. D. GRAHAM, Chairman, Ulster Young Unionist Council, 2 Clengall Street, Belfast, February 9.

From Mr P. C. Thompson

Sir, Whatever you are at "Drop-outs for insurance" and "menaces" directed against constitutional authority violate the basic of the union which they are invoked to protect" (leading article, February 7). But if it is the British Government itself which proves to be the enemy of those very principles of constitutionalism, respect for law and order, and the integrity of the kingdom upon which Unionism stands, then preparations for insurrection must be made, and must be made as constitutional authority must be destroyed.

And that is not all. It is true that Mrs Thatcher's silence about her talks with Mr Haughey conceals for the moment the adjustments in short. No Surrender. Cannot the English at last understand these plain words? No arrangement with the South at all is acceptable, and if Mr Paisley is forced to set up a provisional government, as Cargan did, to prove that he means what he says, then that is what will happen.

Yours etc. P. C. THOMPSON, 16 Edgar Street, Warrington, February 7.

### Prince Philip's speech

From the Vice-Chancellor of Cambridge University and others

Sir, Your report (February 10) of the Mountbatten Memorial Lecture by his Royal Highness Prince Philip, given at the Cambridge University Museum, has been most interesting. It is a pity that some of your readers, this lecture was concerned with the life and achievements of Lord Mountbatten, not nuclear weapons.

The statement which you printed was a question 4 questions. Prince Philip added that he was in favour of multilateral nuclear disarmament, but this sentence did not appear in your report.

Yours truly, PETER SWINERTON-DYER, ALAN COTRELL, J. H. PLUMBE, D. N. SKIMOR, St Catherine's College, Cambridge.

### MEPs' spending

From Mr. Paddy Taylor, MP for Southend East (Conservative)

Sir, Sir Fred Catherwood's letter today (February 10) on recent publicity about tours by members of the European Assembly does not deal with the question which is of greater concern. It is certainly true that some have questioned the need for the substantial number of tours by MEPs. Hearing in mind that the Assembly has no foreign affairs or defence decision-making powers, and only a limited right to consultation on trade issues. But the real objection which has been voiced over the Euro-tours relates to the cost and apparent extravagance of the ventures.

As I am sure you are aware, there is widespread unemployment and considerable hardship throughout Europe. There is surely an obligation on elected representatives who control their own budgets to exercise the maximum degree of prudence and economy.

Mrs Thatcher has set a splendid example in the case of our own Government and Parliament. The recent example of the traditional dinner "Dinner for the Queen" is a case in point.

A select committee of British MPs was advised in November by one of our Treasury Ministers that there is "a danger that the Council of Ministers does not question the spending of the Euro Assembly. Surely this lack of external control places a special obligation on Sir Fred and his colleagues to exercise the degree of prudence which taxpayers are entitled to expect from a responsible body.

Yours sincerely, PADDY TAYLOR, House of Commons.

### Voice from the past

From Mr D. Cooper

Sir, RSM Brittain's power of observation were not infallible. During the later stages of the Mons course we were allowed to use bicycles for moving around the camp, but as the military issue was insufficient some of us used our own.

One day I took a short cut, cycling past RSM Brittain's house, and after bumping the bicycle up and down some kerbs, I saw from behind his garden hedge the voice summoned me back and I was characteristically rebuked for mistreating military property.

Hastily, I explained that the bicycle was my own. This information had no visible effect. He paused but momentarily and then continued: "You were also damaging the kerbs".

Yours etc. DAVID COOPER, 38 West Street, Harrow-on-the-Hill, February 6.

### Thetford treasure find

From Dr Jean Wilson

Sir, From your account today (February 4) of the inquest on the Thetford Roman treasure it is clear that the hoard was concealed in a bank for six months after it was found, in contravention of the legal requirement to report it. It seems that the report was only made after knowledge of the treasure had emerged by accident, via the Council for British Archaeology.

In these circumstances, there would seem to be a strong case for the Government declining to make the usual ex gratia payment that is used to reward finders of treasure trove, or to reduce it substantially: as it is, important evidence on the circumstances of the treasure's deposition (which might, for example have indicated that it was a votive offering at the shrine of Fannus rather than buried in panic) was lost by the finder's illegal concealment.

Those who find archaeological material should be encouraged to report it promptly, and those who find possible treasure trove need to be reminded of their obligation to do so: withholding or reduction of the customary reward in the Thetford case would emphasize this.

Yours faithfully, JEAN WILSON, King's College, Cambridge, February 4.

### Fish trade crisis

From Mr J. B. Green

Sir, Once again ill-considered and ill-informed statements from the leaders of Britain's fishermen have served to mislead the public as to the true situation in the industry. The present action by fishermen will do nothing to improve the long-term prospects and may well do considerable harm to all concerned.

If fishermen were making the fortunes alleged by the fishermen the number of fish shops would be increasing in number rather than

the reverse. Thirty years ago there was one retail shop operating 450 fresh fish shops. The last of these closed last year because of the very high overheads and poor returns.

For many years fishermen have urged fishermen to agree to a national scheme to promote and advertise fish. To raise at least £2m for such a scheme would be easy and cost only a fraction of a penny per retail sale. The catching side of the industry has resisted all our efforts on the ground that they could sell all the available catch at a good price. The position is now very different and we can only hope some sort of cooperation will be forthcoming before it is too late.

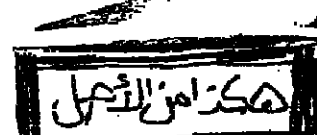
An effective advertising programme would improve the demand for fish and would ensure a better return for all concerned. Banning imports of fish will only be a palliative and will never cure the ailment.

If imports were banned there would be many fish-processing plants which would be obliged to close. Most of them are geared up to a fixed production programme costing over a long period. British fishermen are not able to supply the right grade, quality and quantity required for a long production run.

The effect on retail sales of imported fish is very much exaggerated. Most fishermen prefer to sell British fish if it compares favourably with the import. Unfortunately this is the case with most foreign fish. The considerable trouble to see their fish is well graded and guaranteed weight. The same cannot be said of much of the British fish.

Fishermen should give more thought to the ultimate consumer, for it is he or she who dictates the price the market will stand.

Yours faithfully, JOHN GREEN, J. B. Green (Crouch End) Ltd, 17 The Broadway, Crouch End, N.4, February 10.









# THE TIMES

## BUSINESS NEWS

### London and Bonn plan to eliminate all European steel subsidies by 1984

By Peter Hill  
Industrial Editor

Britain is expected to propose a strict timetable for the elimination of state subsidies to the European steel industry at a ministerial meeting in Brussels early next month. Ministers are likely to advocate a comprehensive package of measures directed towards eliminating all operating steel subsidies by the end of 1984.

This objective will be buttressed by an extension of the "manifest crisis" provisions of the Treaty of Paris beyond the end of June for an 18 month period, in the absence of a workable voluntary system of controls. The Government will also propose an extension of a formal decision agreed a year ago laying down rules for specific aids to the steel industry to the end of 1983.

The United Kingdom representatives will also include a proposal for the establishment of a working group, bringing together representatives of the member states and the Community, which would be charged with monitoring progress towards meeting objectives and securing a greater degree of "transparency" in dealings between governments and their respective steel industries.

The outline proposals now being considered by ministers are much in line with West German Government thinking, but have particular significance since the United Kingdom will assume the presidency of the Community in June this year and will be in a key position to influence the course of discussions over the problems of the steel industry.



Dr Dieter Spethmann: quotas should end only if voluntary system agreed.

Within Whitehall there is confidence that the British proposals will commend themselves especially to the Bonn Government and the German steel industry, which has steadfastly opposed the continuing injection of state funds into ailing steel industries and was reluctant to accept the mandatory production quotas invoked last autumn.

The Government faces major political difficulties over the level of funding required by British Steel over the next two years, on which a statement will be made by Sir Keith Joseph, Secretary of State for Industry, before the end of this month. Ministers will argue that its overall plans for the United Kingdom industry, both public and private, are in line with Commission objectives of

achieving an orderly restructuring of the steel industry. After the introduction earlier this week of legislation which will lift British Steel's borrowing ceiling by £500m to £5,000m (with provision for it to be increased to £6,000m), the corporation will receive further substantial government funds for the next two years, and a Bill will be introduced to reconstruct its balance sheet. Under the survival plan drawn up by Mr Ian MacGregor, chairman of the BSC, should be breaking even by the end of the 1982-83 financial year.

Meanwhile, discussions between the BSC and a number of private sector steel companies on forming joint venture operations, involving rationalization of key areas of product overlap to reduce overcapacity, are likely to be concluded within the next two weeks.

It is clear that the whole question of state aids to the steel industry has become the subject of intense discussion between London and Bonn. Sir Keith was in Bonn 10 days ago, and the German approach to the EEC discussions were given by Herr Martin Grienner, economics minister state secretary, who said that West Germany would be urging the Community to apply existing legal instruments to promote the dismantling of state aids.

The previous week, Dr Dieter Spethmann, chairman of the managing board of Thyssen, West Germany's largest steel producer, said that the grounds of political common-sense the present EEC production quota system should only end if there was a voluntary agreement to replace it.

### UDT bid sealed by Savings Banks

By Rosemary Unsworth

Lloyds and Scottish has decided against challenging the Trustee Savings Bank's bid for United Dominions Trust, leaving the way clear for the TSB to take over the finance house.

Mr Tom Bryans, TSB's chief executive, said his group was delighted with L & S's decision. "We always wanted to make a full bid, even when we were planning to buy UDT's consumer credit activities for £57m," he said. TSB is also expected to hear soon that its offer will not be referred to the Monopolies Commission.

The L&S board decided on Wednesday that it would not be in shareholders' interests to

propose a higher price than the 35p a share it offered in January.

The TSB offer, made two weeks ago, was for 57p a share valuing UDT at £110m. UDT's board had accepted the higher offer stating that it was "fair and reasonable".

Mr George Duncan, L&S chairman, said his group did not want to get into an auction. It could not be certain it could justify the bid if it matched the TSB offer.

The TSB are operating with different criteria over this bid but we did not want to risk dilution of our earnings. On top of that, UDT's recent results, which showed a fall in pretax profits from £7.9m to

£3m at the halfway stage, didn't help any."

Mr Duncan said the lack of a recommendation from the UDT board for the L & S offer had not deterred his group. "The recommendation was one of the normal conditions we put on the bid, like that concerning the Monopolies Commission."

The TSB launches its bid the day that the Office of Fair Trading announced the L & S offer would not be referred to the Monopolies Commission. The stock market also approved of the L & S withdrawal and its shares rose 6p to 154p while UDT's slipped 2p to 57p as the possibility of another bidder emerging was dismissed.



Mr Tom Bryans: delighted with decision.

### Stock markets

FT Ind 490.0 up 3.7  
FT Gilt 69.07 down 0.03

### Sterling

\$2,316.0 down 215 points  
Index 104.3 up 0.1

### Dollar

Index 100.3 up 0.9  
DM 2.1815 up 338 pts

### Gold

\$486.50 down \$14

### Money

3 month sterling 131-132  
3 month Euro \$ 181-171  
6 month Euro \$ 18-174

### Fraser statement on Lonrho bid today

Sir Hugh Fraser, former chairman of the House of Fraser, is expected to make his statement on Lonrho's 158m takeover bid for the company later today.

Under the City's code on takeovers, all directors of a company receiving a bid are required to make known their views. This is usually done in a collective statement, but the Fraser board is divided.

Although Sir Hugh was ousted as Fraser chairman at a board meeting three weeks ago, he remains a director. He was working on the statement with his lawyers last night and will be approved of the Takeover Panel, should release it, this afternoon.

The Fraser Trusts, of which he is a trustee, hold about 3.5 per cent of Fraser shares and is the largest single holder after Lonrho, which now holds just under 30 per cent.

### BNOC share offer

The Government is expected to offer to the public shares in the British National Oil Corporation and to issue about 500m of revenue bonds available over Post Office counters under a Bill to be introduced by Mr David Howell, the secretary of State for Energy.

Wider role, page 18

### Imperial profits down

Pretax profits of the Imperial group, the tobacco, drinks and oil conglomerate, slumped 15.4m to £12.9m in the year to October 31. But the group's sales added 2p to 81p yesterday on news of maintained dividends totalling 10.36p gross for 16 years.

Financial Editor, page 19

### Foundry plea

A call to the British Steel Corporation to reconsider its decision to close the Distington Mould Foundry in Cumbria has been made in a report produced jointly by management and unions at the plant in the grounds that closure could cost the corporation as much as £6m more than keeping it open.

### Generator order

GEC has won a £29m order to supply two 375-megawatt turbine generators to Calgary over in Canada. The company on the contract against competition from Japan, which implied the first generation of turbines to the Canadian group.

### Fire costs up

Fire damage last year cost insurers an estimated £469.3m, an increase of almost a third over the previous year, according to British Insurance Association figures.

### Steel output higher

Crude steel production from public and private sectors rose by 5.5 per cent last month compared with December. The average weekly output was 35,300 tonnes.

### Wall Street lower

The Dow Jones industrial average closed 5.89 points down at 3,366.0. The S&P 500 was 2310.8. The £ was 0.529656.

### PRICE CHANGES

Stocks	Price	Stocks	Price
Test Nicholson	9p to 142p	Guthrie Corp	50p to 712p
Avy Gp	22p to 215p	Howard Machine	3p to 27p
Expanded Metal	6p to 55p	Leam	10p to 25p
Sherrill & H.	35p to 342p	P. Pratt Eng	20p to 90p
EC	10p to 645p	UC Investments	42p to 459p

### alls

ustin E.	2n to 24p	Muirhead	4p to 100p
ok W.	3p to 10p	Poke Wallend	15p to 415p
iky Oil	8p to 63p	Rand Blue Prop	10p to 250p
in Sumatra	35p to 152p	Valkenstein	10p to 200p
asey-Ferg	15p to 185p	Westpool Inv	6p to 80p

### THE POUND

Bank	Rate	Bank	Rate
Australia 5	2.06	Norway Kr	13.25
ustria Sch	37.40	Portugal Esc	13.25
gium Fr	84.50	South Africa Rd	2.21
anda S	2.86	Spain Pta	203.50
enmark Kr	15.10	Sweden Kr	11.19
inland Mk	9.88	Switzerland Fr	2.28
rance Fr	11.98	Yugoslavia Dur	88.50
ermany DM	119.00		
ongkong S	12.70		
eland P	1.29		
oly Tr	239.00		
etherlands Gld	5.66		

### Loan plea by Italian steelmaker

From John Earle  
Rome, Feb 12

Italsider, Italy's state-owned and largest steelmaker, cannot survive beyond the end of March unless the government pumps in emergency funds immediately, its new management said today.

Its parent Finsider has asked the government for an interest-free loan of Lir2,500,000m (£1,960m) of which half would be for Italsider. Signor Mario Costa, chairman and Signor Sergio Magliola, managing director, told a Press conference at Italsider's biggest works at Taranto that if this money were not made available in time, "there would be no other way out but failure or liquidation."

The two have replaced Signor Ambrogio Puri, who resigned as joint holder of both posts last month in protest at what he maintained was lack of government support for Italsider's rationalization efforts.

Last year Italsider, with a workforce of 53,000, produced 10.8 million tons of steel, 40 per cent of Italy's output, at an estimated loss of about Lir259,000m against a loss of Lir259,000m in 1979. The company, the two managers said, had debts of over Lir4,000,000m (£1,670m). An important aim was to cut the burden of debt servicing and other financial charges from 15 per cent to 5 per cent of turnover.

### £1,650m EEC aid for industry last year

From Geoffrey Browning  
Luxembourg, Feb 12

A high concentration of lending for investment in EEC regions was hit by unemployment in the Community last year, the European Investment Bank's activities in 1980 published here yesterday. Increased support was also given for energy projects.

Financing for industrial, energy and infrastructure development in the Community totalled almost 3,000 million European Units of Account (£1,650m) with 80 per cent going to Italy, Britain and Ireland, three countries facing the most difficult structural problems.

Reporting a year of consolidation, the bank said that projects supported in 1980 represented the creation or safeguarding of up to 50,000 permanent jobs, mainly in industry. This includes an expected 16,000 jobs in advance factories which the bank helped to finance in Ireland.

Britain benefited by loans of £417m bringing the total since British accession in 1973 to over £2,000m.

Small and medium-size ventures in assisted areas received £25m help. Larger industrial projects supported directly by the bank included modernization of cable factories on Merseyside, Cheshire and Manchester, construction of heavy engineering works and extension of a factory producing

equipment for nuclear power stations at Darlington and the construction of a packaging machinery factory at Gateshead. At Wigan, modernization of a glassworks was carried out.

The energy sector accounted for £115m with loans for the construction of a uranium enrichment plant in Cheshire. In Scotland, there was help with the construction of the Forthess nuclear station, a thermal power station at Peterhead and an uprating of generating capacity in the Shetlands.

Telecommunications received £51m aid; More than £45m help was given for high speed trains, construction of part of the M65 motorway in Lancashire, the service of the Sullom Voe oil harbour in the Shetlands, and improved cross-Channel ferry facilities. In Scotland, £42m went to help various infrastructure works carried out by regional councils in aid of conditions for development.

Ireland was again the country where lending operations were most concentrated. With only one per cent of the population of the EEC, the country accounted for almost 13 per cent of financing operations.

The European Investment Bank was established in 1958 as the Community's bank for long-term finance under the Treaty of Rome. Its principal task is to channel finance on a non-profit basis to promote balanced development within the EEC.

### Factoring bad debts up 117 pc in a year

By Our Financial Staff

Bad debts incurred on behalf of clients by member companies of the Association of British Factors rose by 117 per cent between the second half of 1979 and the second half of last year.

Mr Roger Picher, chairman of the association, yesterday described factoring companies as a "reasonable barometer of what is going on in industry."

Factoring, the business which includes invoice discounting, collecting money and data processing on behalf of client companies, remains a growth area. The volume of business handled on behalf of clients by members of the association rose by 13 per cent last year to £1,934m.

New entrants into the field include the formation this week of Anglo Factoring, a company created by two former directors of Griffin Factors, a leading group in the business.

They are Mr Ben Hosh, former managing director of Griffin, and Mr Fred Salinger, a former director. Their company is backed by RIT and they hope eventually to get a large slice of the market. Mr Hosh says factoring turnover doubled in the past four years and he points out that this is a useful way of improving cash flow and containing costs.

Last year, as the report of the association shows, the number of client companies using factoring rose by 15 per cent to 2,400 companies. But the total number of companies serviced by clients of factoring organizations is 275,000.

Most companies using factoring are service firms of small to medium sized. Their turnover varies between £50,000 and £15m a year. In return for a small percentage fee for the volume of business handled, they service a client company's whole credit accounting and often arrange trade indemnity against bad debts.

### President prepares US for economic package

From Frank Vogl  
Washington, Feb 12

America's economy is in the worst condition since the Depression, President Reagan said today. When Americans appreciated just how bad conditions were, they would support fully the new economic programme he is to announce on February 18.

The president has made several direct appeals for major cuts in public spending during the past few weeks. Today he said that the size of the Government and its spending habits were the main cause of the country's economic distress.

To demonstrate the economy's problems, the White House has published a selected set of charts showing for example the huge trade deficit—though there is no chart showing the country's balance of payments surplus on current account.

The President's economists are developing forecasts which are brighter than those by private economists. Tentative figures indicate a sharp reduction in the rate of inflation next year, perhaps to under 7 per cent, and to real growth in 1982 of 4 per cent or more.

The forecasts, which will be completed in the next few days, will be announced when Mr Reagan reveals his economic policy. There is increasing scepticism in Congress about the sort of package, and the reasoning behind the forecasts.

### De Lorean loans support

The Government has agreed in principle to guarantee loans of up to £10m for the De Lorean car company in Belfast—but the American-owned group will not be getting any more money from the state.

Mr Adam Butler, Northern Ireland Minister of State, told MPs in the Commons that the guarantee for commercial loans was "to help this company launch a car they believe has got good market prospects".

The De Lorean project, set up in Ulster several years ago with government aid, came in for criticism from MPs on all sides of the House, and Mr Butler twice pointed out: "The original decision to support this project was taken by the previous administration."

He said that if he had not taken the decision to help the company to get the car to market launch, there would have been "very serious employment consequences for Northern Ireland".

### British Rail to sell off £40m of property interests

By Peter Hill  
Industrial Editor

Properties valued at about £40m are to be added to the British Rail portfolio of assets for privatization. The transfer will swell the value of the overall portfolio to about £220m.

Mr Norman Fowler, Secretary of State for Transport, said in the Commons yesterday that the additional properties were "not needed for running the railway."

These assets will be transferred to the new property company which BR is to establish as a subsidiary of British Rail Investments. It will handle the introduction of private capital into railway hotels, property, hovercraft and shipping interests.

BR's non-operational property accounts for the bulk of the property which will be opened up for private capital investment. A year ago it was valued at £180m.

The additional properties were mainly large office developments and the figure at which they appeared in the company's balance sheet would depend on the extent of continuing railway interest and on market conditions, Mr Fowler said.

They are already let to commercial tenants; many of them are close to railway stations and the £40m price tag is considered to be only a rough estimate of possible market value.

Privatization of the BR interests, together with those of the British Transport Docks Board is provided for in the Transport Bill.

The BR Property Board as a whole produced an operating surplus of £29.4m in the last financial year from a gross rental income of £41.8m before development land tax.

### British Telecom to join battle with Thomson over giveaway directories

### Opening a new chapter in Yellow Pages

Yellow Pages, which has been exhorting people to let their fingers do the walking for the past few years, will soon turn what was once a gentle jog into a competitive marathon.

British Telecom, owner of the Yellow Pages telephone directory, is about to announce an initiative to launch a new Yellow Pages service.

Thomson was dropped in 1979 and reacted by announcing a new organization to sell space in directories delivered free to all homes, with or without telephones, in direct competition to the Yellow Pages service.

Now it seems that British Telecom is set to strike back. ITT and General Telephone, the

two groups which won the Yellow Pages contract from Thomson, will market giveaway directories too.

The state telephone organization was coy about details of its plans yesterday and said an announcement was due shortly. "Our plans at the moment are in confidence," a Telecom spokesman said. "We expect to start selling space fairly soon. We have some areas picked out for the launch which we are not revealing now."

Telecom claims that it has been publicly planning its entry into the general directory giveaway market for some years, though advertising agencies and its rival, Thomson, believes that the move was seriously mooted

only after the Thomson project was announced last July.

ITT and General Telephone will apparently produce the current Yellow Pages directories in addition to the local giveaway version. If the circulation area clashes with that of a Thomson directory, it could lead the luckless householder with three overlapping publications.

Mr Robin Eyres, managing director of Thomson Directories, said yesterday that the company had already published three directories: in Bournemouth, Bradford and Kingston. A further three for Reading, Middlesbrough and Richmond would be distributed during March and April.

The company was planning to sell a further 120 directories this year and had, as its target, some 200 directories covering 80 per cent of the United Kingdom population by the end of 1982. The selling is carried out by the staff who were formerly employed on producing Yellow Pages.

"The reaction from the market has been extremely encouraging," Mr Eyres said. A number of companies other than British Telecom had looked at the directory business because the market in Britain appeared underdeveloped in comparison to other European countries.

Mr Eyres said he understood a number of companies other than British Telecom had looked at the directory business because the market in Britain appeared underdeveloped in comparison to other European countries.

David Howson

### DOUGLAS ROBERT M. DOUGLAS HOLDINGS LIMITED

Civil Engineering and Building Contractors

### INTERIM STATEMENT

The Directors report as follows:—

	1980	1979	Year to 31 Mar 80
1. The unaudited profit of the group for the half-year to 30th September, 1980 is as follows:—			
Turnover	\$'000 52,798	£'000 47,404	93,287
Trading profit before depreciation	2,621	2,564	6,084
Depreciation	1,499	1,414	2,817
Profit before taxation	1,122	1,150	3,267
Taxation	308	475	1,391
Group profit after taxation	813	675	1,876
Earnings per ordinary share of 25p	8.0p	6.7p	18.8p

2. It is a group practice to incorporate interim profits of associated companies only to the extent of any dividends received from those companies.

3. The results for the six months to 30th September, 1980 are satisfactory in the circumstances in which the construction industries are operating, both at home and abroad. The settlement of certain accounts, and an improvement in profitability at site level, have contributed to successful trading by the Construction Division in the UK, though the Specialist Contracting Division was less fortunate. The Construction Division will again benefit from a further contribution from Middle East operations in the second half of the year. The RMD Construction Equipment and Plant divisions have continued to operate profitably, and there was an increased contribution from our Materials Supply operations.

I am hopeful that the overall result for the full year will be comparable with that achieved to 31st March, 1980. Our long established policy of diversification, within trading areas of which we have sufficient knowledge and experience, is sustaining the Group in these times of recession.

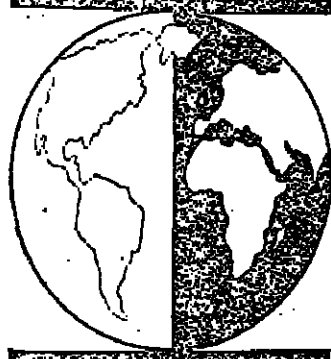
On 24th November, 1980 the Douglas Group achieved 50 years of trading in these highly competitive industries and looks forward with confidence to the future.

4. The Directors have declared an interim dividend in respect of the year ended 31st March, 1981 of 1.1p (1980: 1.1p) per ordinary share of 25p, absorbing £11,286 (1980: £108,425 after amounts waived totalling £4,861), which will be payable on 8th April, 1981 to members on the Register at the close of business on 17th March, 1981.

12th February, 1981

J. R. T. DOUGLAS, Chairman





## Reparation for British Ceylon shareholders

British, Sri Lankan and other shareholders of the British Ceylon Corporation, the biggest company in the coconut products industry, which with three subsidiary companies was nationalized on February 25, 1972, are now to receive compensation totalling 16.47 million rupees (£395,000).

The compensation includes the payment of interest which was decided on by the present United National Party Government and which amounts to 5.7m rupees (£136,700). To enable the payment of compensation, the corporation and its subsidiaries are to be placed in voluntary liquidation. At the time of nationalization, the company's chairman was the late Mr Robert Singaratne-Samuel who had been the last British member of Sri Lanka's Parliament until 1970.

### Slower price growth

Consumer price growth in the Western industrialized world slowed in December to a monthly rate of 0.7 per cent from 0.8 per cent in November and one per cent in September, the Organization for Economic Cooperation and Development said in Paris.

### Indo-Soviet trade

The Soviet Union is likely to emerge as the largest buyer of Indian consumer and engineering goods in the next five years, under a trade agreement signed during President Leonid Brezhnev's recent visit to India.

### Italy's reserves fall

Italy's net official reserves fell 3.5 per cent in December to \$59,569m (£25,787m) from \$61,706m (£26,712m) in November but were up from \$58,160m (£25,519m) the previous year.

### Japan trade deficit

Japan's Customs-cleared trade balance turned into a deficit of \$2,480m (£1,050m) in January from a preliminary \$1,480m December surplus, but narrowed from a \$3,450m deficit a year earlier.

# Report urges shift in public policy and aid from large companies Helping hand for small businesses

A further shift in public policy in favour of small businesses, is one of the main recommendations of a report on the promotion of small business issued yesterday. The report, commissioned by Shell UK from the Economists Advisory Group, compares measures in seven countries.

It says that UK public policy has been gradually shifting in favour of small businesses since 1971, when the committee of inquiry on small firms (the Bolton committee) reported. "But progress has been disappointingly slow," commented Mr Graham Bannock, the EAG's managing director and co-author of the report. "The scale and range of measures to promote small business in Britain is tiny compared with all the other countries studied."

More could be done by large companies to promote small business, the report says. "Most activity is confined to only a small proportion of the 100 largest companies, and the nationalized industries (except British Steel) are conspicuous by their absence in this field."

Purchasing and sub-contracting, as well as hiring off unprofitable activities to small business, all offer practical scope, it says. For example, the Co-operative Wholesale Society has made a special effort to market local products from small companies with spectacular success.

In addition, small businesses could do more to help themselves. Mr Bannock said he regarded the chambers of commerce as an important channel where representation could be improved at national and local government level. However there was also a strong case for giving British chambers of commerce the same public law status and assured revenue that they enjoyed in several European countries, Mr Bannock said.

Apart from more apprenticeships, the best way of increasing industrial influence over education and training would be to involve the chambers of commerce more

deeply. Once public law status for the chambers was introduced, they could influence secondary education more.

"In continental Europe, it is they and not the universities, business schools or government agencies which control the bulk of post-school education," the report adds that training in small companies is almost completely neglected by public support services.

In Germany, Austria and Switzerland, about half of all leavers from compulsory schooling take apprenticeships, about 80 per cent of them in small companies. In Britain, only about 18 per cent of school leavers become apprentices.

"In Britain, business generally has insufficient influence over education. The result is that school leavers are ill-prepared for private sector employment and very few indeed are prepared for the possibility that they might work for themselves."

The Promotion of Small Business: a seven country study is published by Shell UK, PO Box 148, Shell Mex House, The Strand, London WC2R 0DX.

Patricia Tisdall  
Management Correspondent

## LETTERS TO THE EDITOR

### Big rise in standing charges

To take gas as an example, in my gas bill for April, 1980, the unit charge per therm (after the initial minimum charge) was 16.50p, while the standing charge was £2.16 per quarter. My latest gas bill in January 1981, shows the bulk consumption charge at 21.2p and £6 for the standing charge. This indicates an increase of no less than 28 per cent in the unit price, and incredibly of 170 per cent in the standing charge. And all in less than a year, too.

The standing charge cannot be avoided, however hard one may try to economize, and this huge increase is virtually highway robbery of the consumer; it is a totally unjustified added burden which bears most heavily on the small user, that is, the poor and needy, and the retired living on fixed or nearly-fixed small incomes.

Many British Association of Retired Persons (Barp) members tell us that their standing charges are now considerably in excess of their cost of gas used. The excuse for raising gas prices was to restrict consumption of the "wasting user" of North Sea gas, but big increases in standing charges cannot be justified on this score, nor can they be justified when the gas board's profits are so enormous. Similar increases in electricity and telephone bills are also appearing and the public seem to be at the mercy of the high-waymen of nationalization. It is high time that the Government took urgent steps to put a stop to this robbery.

I am, Sir,  
Yours truly,  
IAN MACKENZIE,  
Chairman,  
The British Association of Retired Persons,  
14 Frederick Street,  
Edinburgh, EH2 2HE,  
February 7.

### Wider role planned for BNO

By Our industrial staff

A much-expanded role for the British National Oil Corporation in the development of North Sea resources over the next decade has been forecast by Mr Malcolm Ford, head of development for the group.

BNO could be employing twice its present workforce before the 1980s are over, "given a reasonable share of new (exploration) blocks and reasonable freedom to invest by Government", Mr Ford said yesterday.

The corporation employs 1,930 people, of whom 950 are based in Glasgow, 780 in Aberdeen and 200 in its London office.

Mr Ford told a meeting of the Institute of Petroleum in Glasgow that the public failed to appreciate sometimes that BNO was not a government supervisory agency.

Mr Ford's remarks come on the eve of a Bill to be introduced by Mr David Howell, the Secretary of State for Energy, allowing the public to invest directly in state-owned interests in the North Sea.

The Bill is expected to give the minister powers to offer shares in BNO and to issue a loan stock linked to those fields in which BNO has a stake. It is thought that the Government wants to issue some £500m worth of small denomination "revenue bonds" available over Post Office counters.

### UK investment boosts Ireland's growth rate

By John Huxley

Despite world-wide recession and rising unemployment, the Irish Republic's drive for industrial growth resulted in record levels of job creation and manufacturing investment last year, it was claimed yesterday. More than 2,000 jobs came from British companies.

New industrial projects approved by the Industrial Development Authority of Ireland (IDA) during 1980 would result in the creation of 35,600 jobs, Mr Padraic White, the new managing director, said.

Of these 17,000 jobs will come from American, European and Japanese companies, while an estimated 2,000 will be with British companies enticed into investing in the Irish Republic. This is the highest number of jobs created by British companies in any year since the IDA opened its offices in London 10 years ago, and represents fixed asset investment of 17m pounds (about £12.6m).

Commenting on the IDA's success with British industry, much of it in the services sector, Mr White said that the jobs target was "reasonably modest". He added that economic exchange was healthy for both countries.

The actual number of jobs created in 1980 was 17,000—a total which the IDA admits was not much larger than the number of jobs lost because of the decline of traditional industries.

Indeed, unemployment in the Republic now stands at about 10.8 per cent, an increase of about a third on last year. Much of the increase was explained by the growth of the labour



Mr Padraic White: "Reasonably modest" jobs target.

market which was swelled by school-leavers.

Half of Ireland's population is under 25 and the Government has launched a massive job-creation programme. This year, the IDA aims to approve grant aid for projects that will create 30,000 jobs, the same target as for 1980.

The authority dismisses allegations that its incentives contravene Community law, but says they are "unmatched in Europe". They include a maximum tax rate of 10 per cent on manufacturing industry profits until the 21st century.

### Single trade and industry body urged

By Peter Hill

Urgent reorganization of the Departments of Trade and Industry into a single department would be for the benefit of the interests of developing a coherent approach to a big part of the private business sector.

Mr Alan Lord, managing director of Dunlop Holdings, and formerly second permanent secretary at the Treasury, said in a lecture that it had never seemed sensible to separate the two departments particularly in a nation with a higher proportion of exports than almost any other.

Speaking on government and industry at the Royal Institute of Public Administration, he said that the two departments had previously operated as a single unit and although there had been organizational problems, by the mid-1970s the DTI was beginning to achieve considerable success.

"The harvest was there to be reaped, but it was never actually gathered in; and in my view the sooner the two departments are put back together the better."

There would no doubt be short-term costs from that reorganization and it might well be that in the immediate future the relative size of the departments would change in the realities of life.

"But there would at least be then a single department with the framework for a coherent approach to a major part of the private business sector," he said.

### Conversion rates when using credit cards

From Mr J. M. Lichtig

Sir, Mr S. Proctor (February 10) is correct when he suggests that the use of credit cards rather than a Visa/Barclaycard overseas.

Travelling through Israel early last year, I used both cards, but all the transactions affected by me were paid for in United States dollars, as opposed to Israeli lira (as the currency was still called then).

The result? My Access statements correctly showed dollar transactions converted into pounds sterling, but with Visa/Barclaycard statements showed transactions in Israeli lira, converted into pounds sterling, without any reference to payments in dollars at all. An exchange of letters and a telephone call to the Barclaycard centre in Northampton revealed the following:

1. Transactions made outside the United Kingdom and charged in the local currency are converted directly from that currency into sterling, for example: Switzerland—Swiss francs into sterling.

2. Transactions made outside the United Kingdom but charged in a currency other than the local currency are converted into the local currency.

However, the conversion into pounds sterling is based on the original currency paid, not the local one as converted, as I experienced.

3. All Barclaycard transactions made outside the United Kingdom are processed by Visa (of which Barclaycard is a member) in the United States of America, giving rise to the dollar conversion "in certain circumstances", as experienced by Mr A. F. Fell.

What these certain circumstances are, are not explained by Barclaycard and some clarification is obviously needed. I would be interested to know what would happen if one actually paid for goods or services abroad in pounds sterling. The mind boggles as to how many conversions this would lead to; or would Visa/Barclaycard waive conversion in this case?

Yours faithfully,  
JERROLD M. LICHTIG,  
34 Southbourne Crescent,  
Hendon,  
London NW4 2JY,  
February 11.

### Travelling first-class by Qantas

From Mr Ivor Hall

Sir, I recently travelled on a first-class ticket to Bahrain. My outward journey was with British Airways whose service I found to be very good. My return journey was intended to be with BA but unfortunately their flight was cancelled. I therefore transferred to Qantas.

Qantas were not prepared to accept my BA first-class ticket without the payment of a 10 per cent surcharge. I declined to pay this surcharge and instead travelled in their business class. I have since taken this up with Qantas, who I believe to be members of IATA, who advised me that their 10 per cent surcharge is for better service, cuisine, more space between sleeper chairs and better audio from the overhead items, the only one missing on the BA outward journey was the special earphones.

No doubt many business travellers on the Australian route book their tickets on Qantas without knowing about their surcharge as their bookings are done through their secretaries or travel agents. My own travel agent is unaware of the 10 per cent surcharge and quoted me the same first-class fare for BA and Qantas.

IVOR HALL & Associates Limited,  
34 Bisham Gardens,  
London N6 6DD,  
February 10.

### Overseas mail charges

From Mr Laszlo Gombos

Sir, The Director of International Post Affairs has written to you (February 6) justifying increases in overseas mail rates and (of course, claims that these increases are more than justified). I submit that his presentation is not complete since he makes no allowance at all for the benefit arising from the higher value of the pound. In ordinary commercial accounting one would allow for lower costs—not only for increased costs—and perhaps if this normal method were to be followed, the service made more efficient and the administration lightened, we would not be faced in this and other public services with automatic increases whenever one cost element goes up.

Incidentally, can the Director tell us why the lower postage rates have been so drastically dropped?

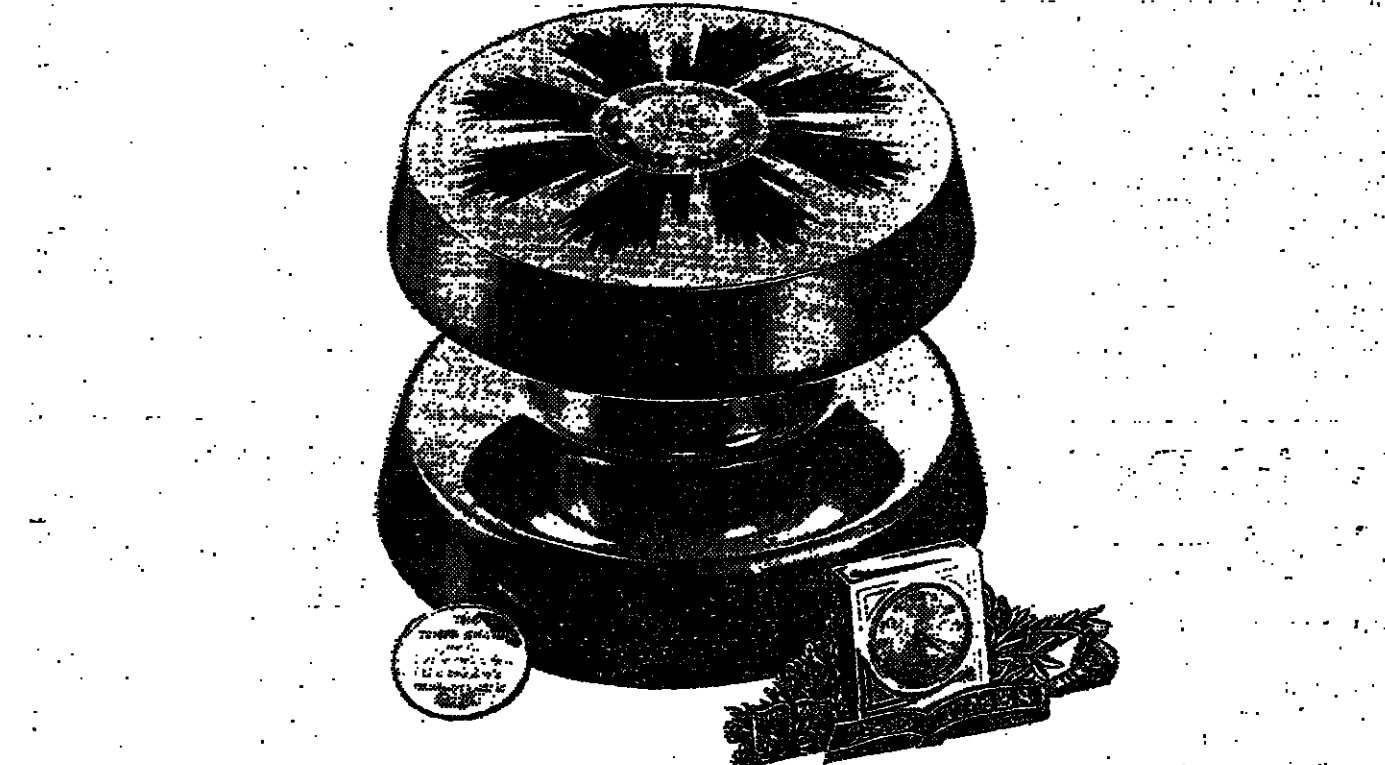
LASZLO GOMBOS,  
Garrick Club,  
London WC2E 9AY.

### Calendar design

From Mr F. Ellis

Sir, Mr A. C. Jarrold (February 10) asks us how we like our calendars. I must prefer one single horizontal list for each month, from the first to the last day of the month with Sundays in red. The layout suits calendars with or without a pictorial element and is perfectly legible. Some calendars use the layout with great effect.

F. ELLIS,  
39 Limes Road,  
Folkestone,  
Kent CT19 4AU.



# The Times Awards 1980 Winners.

The winning entries for The Times Awards were those advertisements which, in the opinion of the judges, would leave the reader with the impression that the company would be a good one to do business with, to work for, or in which to invest. The advertisements were judged in terms of good use of typography, design and copy to convey the relevant information.

The task of the independent panel of judges was made particularly exacting by the number, range, and quality of entries from industry, commerce and finance.

## The Grand Prix.

The Times is pleased to announce that the winner of the 1980 Grand Prix is:

**Unilever Ltd.**  
Agency: Charles Barker CBCLtd.

Their entry was judged to be the advertisement that best conveyed, by way of typography, design and copy, information relevant to shareholders, professional advisers, prospective investors and all concerned in the company's well-being; in short, an advertisement that would leave the reader with the impression that the company would be a good one to do business with, to work for, or in which to invest.

## Judges' Special Awards.

**Overseas Company**  
Creditanstalt-Bankverein  
Agency: Charles Barker CBCLtd.

**Smaller Advertisement**  
200 x 4 columns or less.  
Powell Duffryn Ltd.  
Agency: Streets Financial Ltd.

**Special Award**  
The most significant contribution to new imaginative thinking in financial advertising.  
ICFC Ltd.  
Agency: Doyle Dane Bernbach Ltd.

## Category Winners.

### Category 1a

*Annual Results. Colour or mono. Half page or larger, or equivalent.*

1st: Lloyds Ltd.  
Agency: Walter Judd Ltd.

2nd: International Thomson Organisation Ltd.  
Agency: Charles Barker CBCLtd.

3rd: Reckitt & Colman Ltd.  
Agency: Dove Rogerson Ltd.

### Category 1b

*Annual Results. Colour or mono. Less than half a page or equivalent.*

1st: Booker McConnell Ltd.  
Agency: Valin Pollen Ltd.

2nd: London Trust Company Ltd.  
Agency: Valin Pollen Ltd.

3rd: S & W Berisford Ltd.  
Agency: Streets Financial Ltd.

### Category 2

*Interim Results. Colour or mono. All sizes.*

1st: Consolidated Goldfields Ltd.  
Agency: Charles Barker CBCLtd.

2nd: Pearson Longman Ltd.  
Agency: Charles Barker CBCLtd.

3rd: Charterhouse Group Ltd.  
Agency: Dove Rogerson Ltd.

### Category 3

*Preliminary Results. Colour or mono. All sizes.*

1st: J Sainsbury Ltd.  
Agency: Streets Financial Ltd.

2nd: C T Bowring and Co Ltd.  
Agency: Walter Judd Ltd.

3rd: British Sugar Corporation  
Agency: Charles Barker CBCLtd.

### New outlook for window frames of plastic

Leaders of the plastics processing industry have launched a campaign to win a greater share of the £1,600m a year market for window frames, dominated by timber and aluminium users.

The British Plastics Federation estimates that the installed value of windows (including the cost of labour and glass) is about £400m in home improvement alone. The value of windows in new buildings is worth far more, perhaps as much as £1,200m a year.

So far, the share taken by plastic frames is small—probably less than one per cent. In West Germany, by contrast, plastic accounts for almost half of window-frame sales.

Mr Alan Bell, chairman of the federation's newly-formed Plastics Windows Group, explained yesterday that the sales campaign would be directed primarily towards the "replacement" market at first, where it was hoped to increase to 10 per cent the share of plastic windows during 1981. This would mean increasing the value of installed windows to about £45m, of which the plastics extrusions would be worth about a quarter.

Last year, an estimated 5,000 to 6,000 tonnes of plastics were converted into window frames. The new group, which represents more than 40 manufacturing companies, hopes to have increased the volume to 20,000 tonnes a year by 1985.

Plastic windows are made mainly from PVC. Their supporters argue that they are more efficient insulators, reduce the likelihood of condensation, and, most important of all, perhaps, do not require painting, do not chip, flake, pit or rot.

Mr Bell, who is managing director of a plastics company which will alone spend £1m on consumer advertising this year, says that plastic window frames are: price-competitive with aluminium products. Although they are more expensive than wooden frames they last much longer.

The plastics federation hopes that a British standard for plastic windows will be produced by the British Standards Institute later this year. If this proves difficult—and it did for aluminium windows—the federation has indicated that it will try to issue its own guidelines.

The move into the windows market marks a further initiative by the plastics industry to provide substitutes for more traditional products. In the construction industry this has already gone a long way and companies producing asbestos, clay and concrete alternatives have been on the defensive.

John Huxley

### New telephone kiosks

From Mr Graham Chaine

Sir, British Telecom have recently installed on a busy junction in Cambridge two of their new acrylic-shield open telephone kiosks, making the claim for them that they are more vandal-proof than traditional boxes, and more modern in appearance.

The thinking behind this seems to me confused. For one thing, in an open kiosk without door the apparatus would seem more vulnerable to the attention of passing vandals, no less than in a box with the standard resistant door. I suspect it more likely that they are designed to need less attention: having no floor, they can accumulate no litter.

In the second place, sitting open boxes on a noisy junction will not result in improved telephone conversations. Apart from the noise, they are also open to wind and rain.

These trendy new boxes seem to me, in short, to be symptomatic of two pernicious modern tendencies: one is the putting of operational convenience before the convenience of the customer; the other is the continuing erosion of privacy in our lives. The old traditional phone box in which one could hold a private telephone conversation, neither overheard nor denuded by outside noise, is rapidly disappearing. Already they have virtually vanished from stations and other indoor locations. Are they about to disappear from our streets too?

GRAHAM CHAINEY  
47 St Barnabas Road,  
Cambridge CB1 2BX,  
February 10.

### Appreciating 'sea-kindly' ships

From Mr D. Laurent Giles

Sir, E. H. Whitwell's elegant verse (February 11) castigating my use of the expression "sea-kindly" raises wide implications.

Sea-kindly has been used by English seafarers since time immemorial to describe the behaviour of a ship or boat as moving gently in her natural element. (OE "sae" and "gecyndlic"). In my experience the expression was most notably used by the great "Bubbles" Smith of Lymington, one of the most lucid exponents of the essential qualities of different ships from Men o' War to the Lymington Pram. Indeed, in his case, the expression was often adapted to describe the behaviour of any craft, vessel or creature—and in an astounding variety of situations from his own fishing boat to the Mew Langton Beer Boat, or even the serene progress of Mrs Alice Doe on her bicycle.

This delicious expression has nothing to do with the more mundane word "seaworthy" which simply implies mathematics and safety at sea and is of no philosophical consequence.

If Mr Whitwell still doubts me I would gladly take him to sea in my own little boat to illustrate the point.

DAVID GILES,  
Thornycroft, Giles & Associates Ltd.,  
The Embankment,  
Bamford, Notts.  
Isle of Wight PO35 5NS,  
February 11.

## MINING SUPPLIES

(Designers and manufacturers of mining machinery, forgings and steel alloy castings. Structural and electrical engineers)

### A good half-year

26 week period ended	25th Oct. 1980	27th Oct. 1979
Sales	£14,091,000	£10,017,000
Trading profit before tax	2,370,000	551,000
Profit after tax	1,185,000	270,000

Profit before tax is after charging depreciation of £464,000 (1979 - £429,000). Provision for tax has been calculated at 52% on the trading profit for the period as adjusted for tax purposes.

The above figures do not include trading results of Laurence Scott Group, control of which was acquired after 25th October, 1980.

"The Group continues to operate with a reasonably good order book. Coal mining business in the U.K. has been affected by recently announced cut-backs. Fortunately export orders for mining machinery forms a major part of our existing business which should see us through 1981 without any serious need to cut-back on production.

New foreign subsidiaries have been formed in our mining division in Australia and South Africa. The prospects for expansion in overseas markets with the establishment of production units and service departments is most encouraging and will, as a result of our recent acquisition of Laurence Scott Limited, offer more opportunities for additional products.

It is the board's intention to at least maintain a dividend of 2.0p per share for the current year."

A. Snipe, Chairman.



BY THE FINANCIAL EDITOR

Frank Vogl talks to the chairman of Exxon

## Imperial's unfulfilled promise

The all too familiar tale from Imperial after the fifth consecutive year of virtually static profits is one of immense untapped potential if only the right keys can be turned. But for the time being, Imperial looks like a group travelling nowhere quickly and the income stock stigma holds fast.

Pre-tax profits are down £15.4m at £26.9m and, allowing for an unexpected cost of £5m or so as a result of accountancy changes, are much in line with market forecasts. But the maintenance of the dividend (the shares up to 81p where a yield of 2.8 per cent explains a fully taxed p/e of 9).

Once again, the unfashionable tobacco interests have provided the mainstay lifting their trading surplus fractionally to £30.4m though fierce competition saw a sharp deterioration in the second-half, which hardly augurs well given most Budget expectations. Courage also raised its contribution from £4m to £42.4m, boosted by reconstruction of the Harp lager interests while the United States Howard Johnson purchase is remarkably well to turn in £13.3m for the half-year and to leave something over for financing costs of £11.5m.

But the continuing squeeze on egg and poultry prices in the United Kingdom has hit the foods surplus down by more than half to £10.3m, while paper, board and plastics losses widened to £3.3m in the face of heavy losses at the now closed Bristol mill.

For the current year, scope for the United Kingdom interests appear minimal with hopes riding on a sharp consumer spending pickup in the second-half to offset a poor interim period. Ho-Jo may yet prove the buyer of the century but until Imperial completes its management studies it is not going to provide any fireworks.

Meanwhile, the balance sheet has come through the Ho-Jo purchase in fine shape, gearing has jumped to close on 78 per cent but should settle back to nearer 65 per cent when Imperial cashes in its remaining 106m of gilts to satisfy most of the £141m uncollateral debt outstanding as a result of the deal and takes in asset revaluations.

Profits could work out at little more than last year's figures without significant United Kingdom recovery, but as ever, the dividend looks reasonably sound although only 1.5 times covered historically and fractionally short on a CCA basis.

Dowty

Feeling the

NCB cutbacks

Dowty's shares have been under pressure in recent weeks, sandwiched between fears about the impact of the National Coal Board's cutbacks and hopes based on Dowty's booming aerospace business. The market had been paying most attention to a bearish argument so the surprisingly good interim results, showing a £1.7m rise in profits to £19.1m pretax, sent the shares surging up 22p to 215p.

The mining division has indeed been suffering with volume down by over one fifth and profits by a third to £5.7m. There is been no replacement for the Chinese order, the NCB cutbacks have been hurting it there is every indication that worse is to come in the second half and possibly next year too. In fact, NCB ordering has been chopped by about two-fifths and Dowty is clearly hoping the Government will relent on cash limits.

In contrast, aerospace has seen volume rise as the Tornado hit full production and arguments have recovered after suffering from engineering strike last year. The result was a two-thirds rise in profits to £10.7m as this division is still going strong.

So with the small electronics division making progress and helping to offset the problems in the industrial division which is now bumbling along the bottom, Dowty should still keep profits moving ahead during the recession and be able to cover its capital requirements from cash flow. Full-year profits should be about £39m, suggesting a more or less static second half overall, though because of the new stock relief the earnings per share will probably be down.

Assuming the final dividend rises by a fifth like the interim, the shares yield 3.3 per cent and the prospective p/e ratio is

about 15. With Dowty now in a quieter phase because of the problems in mining equipment the shares may not go far in the short-term but still look soundly based on a longer view.

Sugar

### Organizing the home market

As if their nerves were not already stretched enough by the Monopolies and Mergers Commission enquiry into S. & W. Berisford's bid for British Sugar, shareholders in those companies and in Tate & Lyle now have to take into account Mr Peter Walker's thoughts on how the United Kingdom sugar market should be organized. The key is how much a reduction in the supply of sugar to the British market would diminish BSC's attractiveness.

Not for the first time, Mr Walker is suggesting a cut of 200,000 tonnes in Britain's EEC sugar quota, with the quite reasonable proviso that other countries' quotas are reduced too. This would lower allowable beet sugar production in Britain to about 1.15m tonnes, roughly BSC's current maximum output but 100,000 tonnes below its target.

BSC will fight tooth and nail to stop any thwarting of its ambitions, but a quota reduction would be a welcome aid to Tate & Lyle and Berisford. A major problem for BSC is that five or six of its factories produce less than the 3,500 tonnes a day of sliced beet that is considered the economic minimum. Some of these factories are unprofitable, and a quota reduction could tip them over the edge. As it is, all of the company's £150m investment has been concentrated in six bigger factories.

Some market cynics in any case think that Mr Walker's ideas were only intended to throw a smokescreen around the closure of Tate's Liverpool refinery. That aside, it seems unlikely they will come to fruition. If the Monopolies and Mergers Commission rules against Berisford, BSC will be free to pursue its aggressive production and marketing campaign, which could mean further encroachments on Tate's territory, despite the latter's reckoning that the market is approximately in balance. If Berisford's bid proceeds, the company could find itself emeshed in the quota tangle, its loyalties divided between BSC and the cane producers and refiners.

British Steel Corporation's discussions with the bulk steel producers in the private sector have tended to overshadow the plight of smaller special steel groups trying to eke out a living from a decreasing number of customers.

Even though the results of BSC's talks with Dupont, Tube Investments, GKN and Radfields are unlikely to have any direct effect on the smaller groups, it is they who will have to live with the new market environment which emerges. Many, already on short time, have taken unpleasant measures to cut overheads. But the subsequent deterioration means that this year they may have to decide whether to remain in steel making.

Special steel is a highly fragmented business falling into three main areas, highly specialized alloy for aerospace, defence and nuclear industries; high speed and tool steel for hand tool and machine cutting; and stainless steel.

At the top of the alloy market Johnson & Firth Brown told shareholders this week that they had made a first-quarter loss but should make profits in the second half, with their optimism stemming from restocking orders from Rolls-Royce.

Aurora in high speed and tool steel has lost its acquisitive thirst, having rationalized Edgar Allen Balfour and Samuel Osborne just as the market dropped from beneath it. Neepsend, reporting soon for the half year, has already warned that the current year they will at best break even, it is probable that it has not made money on steel in the past five years.

The stock market has been nervous of steel stocks since GKN's results. Johnson, Aurora and Neepsend are all historically yielding well over 30 per cent. But yesterday's raid on F. Pratt, which stirred the engineering sector, demonstrated that this level of discounts to assets is liable to provoke a flurry of takeover activity.

Washington  
Mr Clifton C. Garvin, Jr., started work 34 years ago at the age of 25 as a process engineer at an Exxon refinery in Louisiana. Today he is perhaps the most powerful industrialist in America. His views will not only influence the economic programme that President Reagan announces next Wednesday, but will be heard frequently in the White House over the next four years.

Mr Garvin is both chairman of Exxon, the world's largest industrial company in terms of sales volume, and head of the Business Roundtable, a select policy group which is the prime spokesman of big business's views in the United States.

Mr Garvin is cautiously optimistic about the economic policies of the United States, but he is concerned deeply about the precarious state of global oil supplies.

He says that the business community is confident that the Reagan Administration will come to grips with the fundamental problems of inflation and productivity.

"We just know instinctively that we as a nation are living beyond our means and spending more than we are able to generate and that our search for equity, as it were, among all the people in the country, has just maybe been taken too far."

Mr Garvin expects the new President to put forward policies that reduce public spending as a percentage of gross national product and provide incentives to boost savings and investment.

"We do not expect overnight miracles. It is going to take a considerable period of time for the nation to readjust from the way it has been going and we hope he will stand firm."

The Exxon chief says that the President's ability to hold fast and take the criticism that his programme of large spending cuts will involve (particularly as they will produce very little improvement in the economy's health this year) is going to be absolutely critical, but he is confident that Mr Reagan will be firm.



Mr Clifton C. Garvin, chairman of Exxon and head of the Business Roundtable, the influential body of top American industrialists, is cautiously optimistic about the United States' economic policies.

What industry desperately needs from the Government, Mr Garvin says, is consistent policies. He hopes the Congress will adopt the Reagan Administration's approach of planning, tax and spending programmes on a full four-year basis.

If such a long-term policy concept is adopted, then the private sector will really start to invest.

"I think there will be problems with the Congress, don't misunderstand me. But I sense that the mood of the Congress is 'Let us give him a crack at it'. I have a sort of sixth sense that he is going to get much of what he is asking for."

Business, Mr Garvin says, is encouraged by the lack of organized political opposition to the President's approach at present.

"I would be a most disappointed person if mid-sum-

mer rolls along and a good bit of this (new economic programme) has not been put in place."

He says that it is clear that now there will be much closer compatibility of views between business and government and that cooperation will develop.

"I believe we need to change the pattern of the last 20 years, which has been one of confrontation."

He is not keen on the idea of an American "social contract", but says that there are broad policy areas where government, business and the trade unions should work together. He knows of no administration plans to develop such coordination.

"I do not suggest we change the normal relationship that exists in this country between management and labour. I think

it is a healthy one and personally I am not looking for change."

Mr Garvin hopes that this government will help to improve the general image of business in America. He laments that he does not know how the public view of oil companies can be improved. "You will find today that the oil industry is at the bottom of the list next to Congress in terms of the confidence people have. We are greatly disturbed by that and we do not know how to change the public perception of 225 million Americans."

Turning to energy policy, Mr Garvin says that he is somewhat surprised that President Reagan moved so fast to decontrol oil prices. He hopes that the Administration will now go on to decontrol natural gas prices.

Americans had surprised many people recently by conserving oil and the conservation effort was going to continue.

Mr Garvin is clearly worried about the oil outlook. How do you secure oil price moderation among the members of the Organization of Petroleum Exporting Countries?

Obviously United States policy towards the Middle East, and Israel is a factor with Arab oil exporters and says Mr Garvin, as long as there is no real solution involving the Palestinians says Mr Garvin, the Organization of Petroleum Exporting Countries will use the situation as an excuse in their oil price-setting strategies.

"It has never been clear though, if you could wave a magic wand and solve all these political problems to everyone's satisfaction, that these oil problems would go away. We are dealing with finite reserves that are disappearing over a number of decades. The real difficulty that we have had has not been higher oil prices as such, but the rapidity of the price increases."

"You hope that the powerful Opec countries will see that the wellbeing of the industrial world and the developing nations is in their own interest, too. They say they see this. But it depends upon what one views

as being harmful. "It has been my belief that those in Opec that think like this and see this also believe that they can make the judgment as to what the danger point is for the industrial world and what price rise gets the world into trouble. In all fairness we cannot even take that judgment ourselves in our own country."

Under present circumstances, every public planner must reckon with the distinct possibility of another oil price shock, another sudden sharp increase in prices. Mr Garvin's analysis at Exxon says that the minimum increase in 1981 will be equal to inflation. But the Iran-Iraq war, for example, has made matters desperately uncertain.

Mr Garvin explains that the supply and demand equation today suggests a shortage of one million barrels of oil a day. There is a shortage of supply, now there is still an excess of working inventories of what we would guess at 300 to 400 million barrels in the free world. You can pull on that for almost a year at one million barrels a day.

"How did I get my one million barrels a day figures for the shortage? At the start of the Iran-Iraq war cut off about four million barrels of exports. Now the two together are putting up to one million barrels a day as far as we can find out. The other Opec countries have gone up by maybe as much as one million barrels a day. Now we are producing in the North Sea and Mexico and places outside the Opec adding up to maybe another one million barrels in 1981."

"We can see a way through this year, but it does not leave any leeway for anything to happen, if the war intensifies, or they go at each other in a different way. It is too big a system to have that fine a balance. Ideally the system runs with 4 to 5 per cent spare. That is the way you are sure everyone gets what the want. How many years we are going to see ahead with that sort of spare is something I wouldn't want to guess. I would guess not very many."

Another surgical application which has highlighted some of the special characteristics of the carbon dioxide laser is in the removal of tattoos. Skin grafting or acid treatment in the past has been the normal method used.

Last year a London hospital opened a clinic for the removal of tattoos using a process similar to that for cell cutting. The skin is pierced by the laser and the ink of the tattoo is vaporised.

The laser's full potential has yet to be realized, but its usefulness in surgery has already been demonstrated by its modest though impressive performance to date.

Bill Johnstone

## Technology

### Using the laser as a scalpel

Surgeons are learning to use the laser beam with the same degree of skill as that with which they wield the scalpel. Lasers are now being used in America, Israel and Britain.

Ophthalmic surgery, gynaecology and even the removal of tattoos are all fields where they are making an impact.

Laser (light amplification by stimulated emission of radiation) is used to describe what happens to a molecule or ion of a substance (usually a mixture of gases like helium, carbon dioxide, neon or argon, when it is excited by stimulating it with an electric charge or light from a lamp.

This excitation forces the molecules or ions of gas into an "unstable state" (in which they are no longer stable). As they return to their previous state, packages or "photons" of light are emitted. These photons when concentrated together constitute a laser beam.

The surgeon is able, depending on the type of gas used in the laser and the power emitted, to use the tool either as a cutting edge or as a coagulator (blood thickener).

The surgical use of lasers dates back to the early sixties when the first laser was used by an excited rod made from ruby stone were used as a coagulator. The rod, about 150mm long and 10mm in diameter, was excited by flashes of light from a xenon lamp or similar source.

As the technology of lasers progressed, artificial stones were used in place of the ruby. These lasers are used as coagulators during gastric surgery.

The light from the laser is passed down an optical telescope into the stomach to arrest gastric bleeding.

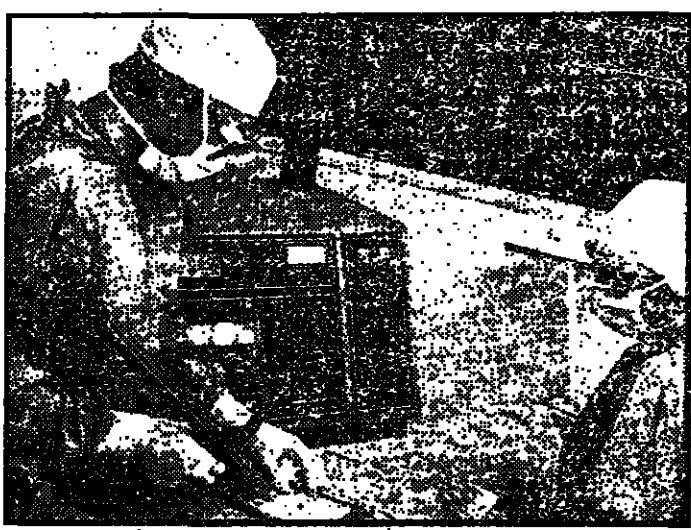
The other type of laser, mainly used as a cutting edge, is the carbon dioxide laser, which would typically be about one metre long and 5-10mm in diameter. The gas is excited by an electric current and can produce about 40 watts power. This laser is being used in Britain and America for surgical operations in gynaecology.

The surgical laser emits between 20 and 40 watts and has the beam focused on an area of about 0.5mm square. At each end of the laser rod (whether gas filled or of the ruby type) mirror or other type of reflecting surface is attached, so that the light resulting from the chemical reaction in the tube can be concentrated into a beam.

In a gas laser the process begins by the gas, either carbon dioxide mixed with helium and nitrogen or a mixture of helium and neon being excited electrically in an effect not dissimilar to that seen in an ordinary fluorescent light tube. As each gas molecule is excited and then later discharges its energy, a cascade reaction occurs along the entire length of the tube.

The mirrors focus the emitted packages of light along the axis of the tube into a beam which is emitted from one end of the tube.

A flexible lever similar to that used by a dentist is then attached to the laser, allowing the light to be manipulated at the will of the surgeon.



A surgeon using a laser device in the operating theatre.

As a cutting tool a laser gives the surgeon fresh scope in exercising his skill.

The cells of the body are effectively small bags full of water. As the laser cuts the cells the water is raised from body temperature of 37 degrees to 100 degrees centigrade. The water then changes from water to steam at the same temperature.

The energy is provided by the laser.

The laser is a quite different tool from the scalpel and the surgeon must choose the type which will give him either a good cutting edge with the secondary effect as a coagulator, or vice versa.

Two recent examples illustrate how the laser is being

## Business Diary: Men in the middle • Brandy snip

If the economic strategy of the Reagan administration seems confusing at times, do it by design. One could suspect that this is part of a deep Machiavellian approach to ensure that the press, public and Congress fail to gang up on the White House as the target of a moving.

Donald Reagan, the Treasury Secretary, laments that his job is increasingly becoming one of referee. On one side is his new Under-Secretary for Monetary Affairs, Dr. Beryl Prink, one of the most domestic true-blue monetarists ever to have entered the Treasury, and on the other side is the Under-Secretary for Tax and Economic Affairs, Dr. Norman Ture, the advocate of supply-side economics.

But Reagan's problems are being compared to those faced by President Reagan in the lap of a former Treasury Secretary, George Shultz, president of the Bechtel company, who has just been named chairman of a special economic advisory board to the administration. The board members include Milton Friedman, whose monetarist views have never on much support from Dr. Arthur Laffer, whose supply-side theories are viewed with deep scepticism by Alan Greenspan, the former chairman of the council of economic advisers, is also on the board. There are such ardent ultra-conservative budget cutters as William Simon and Charles Walker, former Treasury Secretary and Deputy Secretary.



"If we can run the old Morris for another three years we should be able to replace it with a truly British Datsun."

George Turnbull, who announced the closure of Linwood on Wednesday must now be regretting the choice he made three and a half years ago when he turned down the chairmanship of BL to help build a motor industry in Iran. On his 15th birthday Turnbull signed indentures for a six-year engineering apprenticeship with Standard Motors, Coventry. When it became part of British Leyland he had agreed to become Standard's deputy chairman.

By 1973 he was managing director of the whole group, but within a few months he had a row with the then Sir Donald Stokes, the chairman, about a since discredited new centralized organization and walked out.

In the following year he surprised everyone by moving to South Korea to become vice-president of the Hyundai Motor Company.

When his three-year contract expired he returned with an enhanced reputation to be

sitting in Michael Edwards's chair now."

With the Shah's position beginning to totter and his wife Marjaneh yearning for United Kingdom life again Turnbull quit in 1978. Within a few months he was back in the industry, this time as head of Peugeot's newly acquired Chrysler UK operations.

Britain's largest independent wine and spirits shipper, Matthew Clark, has just landed himself a notable success only to find the company swamped by rumour.

Martell, the cognac, has been handled since the 1830s, may be the best selling brand in Britain, but until now it has not been number one with any of the major breweries.

No longer, since Bass, with more retail outlets than any other, has picked Martell to replace its former chosen premier brand of Remy Martin. Unfortunately for Matthew Clark, the company has now found itself surrounded by rumours in the trade of an imminent takeover by the vast brewing firm.

"Absolutely untrue", said Matthew Clark, director, said Gordon Clark. "There is no question of Bass taking us over or that Bass might be taking the whole of the Martell agency. It's purely a business arrangement."

By clinching the Bass deal, Matthew Clark has opened up a new market just in time for what, in the slow-moving world of cognac, is something of a cataclysmic event.

Martell is about to abandon its familiar three star bottles in Britain for a more up-market

image. The result, a modern frosted bottle, will contain exactly the same cognac and be launched on an unsuspecting British public next week.

Lloyds Bank increased its maritime charter portfolio yesterday with the unusual addition of a craft which among other duties will act as an escort to the Royal Yacht Britannia.

In fact, it is likely to spend most of its time servicing navigational buoys and lights and providing accommodation for the annual coastal inspection of navigational aids by Trinity House.

Trinity House is chartering the vessel from Lloyds' equipment leasing subsidiary, in a deal which the bank says, makes sense for both parties.

On delivery it will join a fleet of 12-owned by Lloyds, including bulk carriers and specialized vessels such as the British Rail ferry MV St Anselm.

Match-makers Bryant & May, producers of the England's Glory series with jokey legends on the jokes were reduced to a mere 32. Then the company decided that it wanted some of the old jokes back again and appealed to philologists, who have passed on boxes from their collections and restored about 6,000 of the old jokes. Example: "elephant to his first mouse: 'Aren't you little', mouse, offended: 'I've been ill.' Ah, well..."

David Hewson

## The Guinness Peat Group Interim Statement for the year ending 30 April 1981

	6 months to 31 Dec 1980	6 months to 31 Dec 1979	Year ended 30 April 1980
Turnover	281,320	286,695	686,062
sales, brokerage & fee income			
Trading Profits	8,251	10,004	22,918
less-central costs	619	476	938
-non-trading interest	4,079	3,308	6,311
Trading Profits before taxation	3,553	6,220	15,669

- EXTRACTS FROM CHAIRMAN'S INTERIM STATEMENT
- The Board have decided to declare an unchanged interim dividend of 2.75p net per share.
  - The profits of Guinness Mehon & Co Ltd (not included above) are ahead of the corresponding period last year.
  - Commodity broking and dealing, whilst not achieving the exceptional levels of the previous year, have continued to do well.
  - There have been particular difficulties in some of our industrial and distribution activities serving the UK market, some of which have shown losses.
  - The mix of successes and problems experienced by the Group is not surprising in this difficult year. But we have the strength inherent in the wide spread of our business.

Guinness Peat Group Limited

The above figures are for the year ended 30 April 1981. The figures for the year ended 30 April 1980 are for the year ended 30 April 1980. The figures for the year ended 30 April 1979 are for the year ended 30 April 1979.



## Stock markets

## Equities firm on talk of Government 'U-turn'

Equities remained in good form yesterday supported by selective buying among the institutions amid talk that the Government was showing signs of making a "U-turn".

Business picked up after a quiet start, with most sectors extending their positions on overnight levels.

But jobbers claimed that shortages of stock were producing exaggerated gains and creating volatile conditions.

Interest had been rekindled by a statement the previous evening by Mr Francis Pym, Minister in charge of co-ordinating the Government's communications, who admitted that conditions forced adjustments in timing and tactics.

While jobbers remained sceptical of a complete "U-turn" by the Government, most believed its approach was now becoming more flexible and this led to firmer conditions.

Nevertheless, most of the buying was again concentrated among the second-liners and recovery stocks, particularly among engineering, where dealers saw some active trade.

Dealers now believe that the current climate will ensure a warm reception for British Aerospace next Wednesday.

Speculative buying was another contributory factor, with many investors still banking on a cut in M.L.R. at 12.30 pm yesterday, despite earlier statements that they would have to wait until the Budget.

However, with M.L.R. unchanged a certain amount of profit-taking was inevitable and this was reflected in the FT Index, which closed 3.7 higher at 490.0, having been 4.2 higher at 4.30 pm.

Gilt, as expected, marked

time in an indifferent market with the new tap Treasury, 12 per cent, 1986, making its debut at a discount of £1/16 over the opening price of £20. Investors have soaked up so much tap stock in recent weeks that an acute case of indigestion was overdue.

La longs, prices closed unchanged, having fluctuated in limits of around £3, while in shorts, the unchanged M.L.R. left minus signs averaging an £1.

Leading industrials experienced a firm session helped by full-year figures from Imperial Group where, despite recent speculation, the dividend was maintained and the shares rose 2p to 81p. Similar gains were seen in ICI at 294p, Beechams at 185p, Unilever at 453p, Distillers at 189p, and Dunlop at 65p. BOC International, with first-quarter figures out next week, hardened 2p to 119p.

Dividends in this table are shown net of tax on price per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. \*Revenue after tax; †For 11 months; ‡Loss; §Adjusted for scrip issue.

Company Int or Fin Sales £m Profits £m Earnings per share Div pence Pay date Year's total

S. C. Banks (I)	32(26.55)	0.69(0.56)	14.89(11.27)	21(7.5)	9/4	—(5.25)†
Cardinal Inv (F)	—	1.16(1.05)	4.9(4.5)	2.4(2.3)	10/4	—(3.4)§
W. Cook (I)	2.41(2.24)	0.14(0.12)	0.3(0.2)	0.3(0.2)	9/4	—(1.3)§
Centraviva (I)	—	0.62(0.51)	—	1.3(1.1)	10/4	—(2.0)
Dowty (I)	160(149)	19.1(17.4)	10.5(11.7)	2.2(2.1)	31/3	—(4.5)
Drayton (I)	12.7(11.7)	1.1(1.0)	0.8(0.7)	1.1(1.1)	9/4	—(1.4)
Drayton Far East (F)	—	0.46(0.31)	—	0.8(0.7)	3/4	1.2(1.1)
Guldborg Prop (I)	—	0.5(0.49)	—	0.7(0.7)	1/4	—(4.5)
Gen Funds (F)	—	0.52(0.41)*	—	5.2(4.6)	9/4	7.7(7.9)
Hampson (I)	8.37(7.93)	2.1(2.0)	0.48(0.22)	2.5(2.3)	2/3	—(1.5)
Imperial Group (F)	3,929(3,621)	1.13(1.18)	—	4.5(4.5)	1/4	7.25(7.25)
Drayton Com Inv (F)	—	3.41(2.78)	—	5.4(4.8)	3/4	7.6(7.6)
Lancs & Lon Inv (F)	—	0.17(0.14)	—	2.5(2.2)	31/3	2.6(2.2)
Wm. Ransom (I)	3.41(1.19)	0.15(0.23)	5.0(5.7)	1.5(1.4)	9/4	—(1.6)
River & Merc Tst (F)	—	2.93(2.49)	15.6(13.7)	10(8)	27/3	15.2(8.6)
River Plate & Gt (F)	—	0.87(0.78)	11.05(9.91)	8(7)	27/3	10.5(9)
Scots Ag Inds (F)	92.1(88.8)	4.44(5.71)	35.8(36.9)	9(9)	3/4	14.7(14.7)
Thermal Syn (F)	15.9(16.9)	1.4(1.37)	—	4.1(3.7)	9/4	7.7(7.7)
Tribune Inv (F)	—	1.45(1.27)	3.45(3.01)	1.9(1.4)	2/3	2.7(2.3)
R. Young (I)	1.58(1.63)	0.02(0.006)	—	—	—	—

Gilt, as expected, marked

while Glaxo hardened 4p to 268p and Fisons rallied 5p to 123p.

Lively business was recorded among engineering shares, particularly among second-liners, where F. Pratt leapt 20p to 90p.

Expect news early next week from Moss Engineering, whose shares have come up sharply from a 77p low to close yesterday 2p better at 97p. Word is that they have received an approach which could lead to an offer. The group reported £1m worth of new business before Christmas.

following attempts at a "dawn raid" by brokers Capel Cure Myers. Selective interest also stimulated Spear and Jackson 5p to 90p, Expanded Metal 6p to 55p, Pegler-Hattersley 6p to 150p and Westland Aircraft 3p

to 131p, the latter following recent bullish remarks by its chairman. But disappointing interim figures left William Cook 3p down at 10p, while Dowty Group advanced 2p to 215p following its interim statement.

Among the majors, GKN climbed 4p to 150p, Tubes 2p to 186p, Vickers 3p to 152p, while Metal Box rose 6p to 186p on the back of a recent circular from brokers Laing and Cruickshank.

Selective buying in a thin market drew attention to stores. Burton hardened 3p to 100p on talk of a buy-back circular and GUS "A" advanced 5p to 490p, while Marks and Spencer closed unchanged at 124p—just 2p short of the "high" for the year. But speculative attention lifted Peters Stores another 6p to 126p.

The agreed bid terms from Hunting Gibson, in shipping,

left Stag Line 13p lower at 420p, but directed attention to such stocks as Common Brothers 15p to 310p, Walter Runciman 15p to 140p and London and Overseas Freighters 1p to 39p.

Elsewhere, on the bid front, Robertson Foods jumped 7p to 161p awaiting developments in the approach from Avana Group, up 8p at 218p. But United Dominions Trust slipped 1p to 561p on news that Lloyds & Scottish was withdrawing from the race. Shares of Lloyds & Scottish expanded 6p to 154p.

The "big four" banks continued to rally on the back of a recent brokers' recommendation, but business was described as "squeaky". Barclays edged ahead 6p to 411p, National Westminster 6p to 381p and Midland 7p to 340p. Lloyds, which opens the reporting season next week, was 6p better at 381p.

In textiles, speculative attention was good for 14p rise in Fothergill and Harvey in 122p and 7p to 82p in Textured Jersey.

Equity turnover for February 11 was £109,533m (barge, 15,503). Active stocks according to the Exchange Telegraph were GEC, European Ferries, Blue Circle, Crest Nicholson, GKN, Allied Breweries, Becham and Shell.

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## MARKET REPORTS

## Commodities

**COPPER** 3.55-3.60. American, 3.55-3.60. British, 3.55-3.60. Canadian, 3.55-3.60. Continental, 3.55-3.60. Japanese, 3.55-3.60. Korean, 3.55-3.60. Mexican, 3.55-3.60. New Zealand, 3.55-3.60. Norway, 3.55-3.60. Saudi Arabia, 3.55-3.60. Singapore, 3.55-3.60. South Africa, 3.55-3.60. Sweden, 3.55-3.60. Switzerland, 3.55-3.60. Taiwan, 3.55-3.60. Thailand, 3.55-3.60. Turkey, 3.55-3.60. U.S.A., 3.55-3.60. U.K., 3.55-3.60. West Germany, 3.55-3.60. Yugoslavia, 3.55-3.60. Zaire, 3.55-3.60.

## EEC group urges farm price rises

The European Parliament Liberal Group has attacked suggestions that the EEC's farm policy made urgent reform and has urged farm price increases of 15 per cent for 1981. The EEC Commission is due to make its final review of possible farm price rises today and informed sources said it will propose average increases of about 8 per cent. The EEC farm lobby has been pressing for almost double this amount. A prominent French member of the 39-strong Liberal Group, Mr Charles Delaunay, said too much attention was being paid to the 70 per cent farm spending share of the EEC budget, and too little to the need to maintain farmers' incomes in the face of inflation.

Mr Gaston Thorn, the president of the EEC Commission, was told the assembly that increased support for farmers producing surplus would form an essential part of budget reform, to be put forward by June. The EEC's Common Agricultural Policy (CAP) guarantees minimum prices for its products. Community ministers and officials have attacked it consistently over the past year for swelling the total to a proportion of 70 per cent and supporting surplus production.

## Discount market

In a situation where credit was running to surplus, the bank of England took excess liquidity out of the system yesterday by selling a moderate quantity of Treasury bills both to banks and house. In the afternoon, a swing on the Exchequer account directed money into the market, though the clearing banks seemed not very active. By the close, balances were answering to 12 1/2 per cent.

## Sterling: Spot and Forward

Market rates (day/night) (close) February 12  
1 month 1.7000-1.7100  
3 months 1.7000-1.7100  
6 months 1.7000-1.7100  
12 months 1.7000-1.7100

Effective exchange rate compared to 1975, was 104.3 up 0.1.

## Indices

Bank of England  
Sterling 104.3  
Dollars 104.3  
Pounds 104.3  
Francs 104.3  
Mark 104.3  
Yen 104.3

## Dollar Spot Rates

1 month 1.7000-1.7100  
3 months 1.7000-1.7100  
6 months 1.7000-1.7100  
12 months 1.7000-1.7100

## Euro-Deposits

1 month 1.7000-1.7100  
3 months 1.7000-1.7100  
6 months 1.7000-1.7100  
12 months 1.7000-1.7100

## Foreign exchange report

Higher United States interest rates drove the dollar forward again on foreign exchange markets yesterday. The 2 per cent rise in the United States Federal Reserve last month sparked a fresh advance in the dollar, lifting the dollar to its highest level for several years in terms of a number of currencies.

## Other Markets

1980-81 1.7000-1.7100  
1981-82 1.7000-1.7100  
1982-83 1.7000-1.7100  
1983-84 1.7000-1.7100

## Money Market

Bank of England M.R. 14%  
(Last changed 24/1/81)

## Money Market Rates

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## Wall Street

New York, Feb. 12.—Stocks on the New York Stock Exchange closed lower after declining slowly through most of the session. Declining issues outweighed advances by 361 to 453, with 116 issues unchanged. The Dow Jones industrial average slipped to 2,360.00 down 5.59. Volume slowed for the day, with a holiday session to 2,400,000 shares from Wednesday's 3,770,000. The NYSE composite index fell 0.12 to 73.65 and the average price per share was down 19 cents.

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## Authorized Units, Insurance &amp; Offshore Funds

Authorized Unit Trusts			Insurance			Offshore Funds		
Unit Trust	Assets	Liabilities	Unit Trust	Assets	Liabilities	Unit Trust	Assets	Liabilities
Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00
Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00
Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00
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Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00
Abey Unit Trust	100.00	100.00	Abey Unit Trust	100.00	100.00			



## LET THE GIN BE

Really Dry Gin

### Stock Exchange Prices

## Selective buying continues

ACCOUNT DAYS: Dealings Began, Feb 9. Dealings End, Feb 27. § Contango Day, March 2. Settlement Day, March 3  
§ Forward bargains are permitted on two previous days

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[illegible]















